

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 3rd November, 2004

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

COMMUNICATION FROM THE CHAIR

LETTER INVITING FINANCE MINISTER TO ATTEND PAC MEETING NOT A SUMMONS

Mr. Speaker: Order! Hon. Members, you will recall that last Thursday, 29th October, 2004, the Temporary Deputy Speaker promised to make a ruling on the matter whether the letter by the Public Accounts Committee to the Minister for Finance was an invitation extended to him to attend the meeting or was, in fact, summons served to him. The letter which was sent to the Minister read as follows:-

"Following the special audit report prepared by the Controller and Auditor-General on the procurement of passports issuing equipment, the PAC has scheduled a meeting with you on Monday, 28th June, 2004, in Committee Room No.9, Parliament Buildings, at 10.00 a.m. in order to respond to the issues raised in the special audit. This is, therefore, to request you to appear before the Committee to discuss the issues raised in the special audit. You are free to choose to be accompanied by such officer or officers as you may wish, to assist you".

Hon. Members, the letter requested the Minister to appear before the Committee on Monday, 28th June, 2004. Under the National Assembly Powers and Privileges Act, Section 15(i), summons are issued under the hand of the Clerk given by the direction of Mr. Speaker. The Section reads:-

"Any order to attend to give evidence or to produce documents before the Assembly or a Committee shall be notified to the person required to attend or to produce the documents by a summons under the hand of the Clerk issued by the direction of the Speaker".

The letter that was sent to the Minister was not summons in the interpretation of Section 15(i) of the Act. Rather, it was more of a request. By practice and procedures, hon. Members, who also include Ministers, are usually invited to appear before Parliamentary Committees as friends of the Committee. In my view, notwithstanding whether the Minister was summoned or invited, he should have availed himself as a friend to the Committee to assist the Committee in its investigations.

However, may I caution the Chairmen of Committees to avoid public invitations as this goes against our tradition, practices and procedures. That is the position.

NOTICE OF MOTION AMENDMENT OF THE LOCAL

GOVERNMENT ACT

Mr. Kembi-Gitura: Mr. Speaker, Sir, I beg to give notice of the following Motion:- THAT, considering the significant role played by the local authorities in this country and considering the need for local authorities to be fully independent of the Executive, this House urges the Government to amend the Local Government Act, Chapter 265 laws of Kenya, to provide for the election of mayors and their deputies by universal suffrage by the people of the relevant local authority.

Mr. Speaker: Hon. Members, we will try as much as possible to take one hour on Questions.

ORAL ANSWERS TO QUESTIONS

Question No. 834

POLICE STATION FOR CHILCHILA
DIVISIONAL HEADQUARTERS

Mr. Speaker: Dr. Rutto is not here? His Question is dropped!

(Question dropped)

Question No.809

REHABILITATION OF MAREIRA-
MAKOMBOKI ROAD

Mr. O.K. Mwangi asked the Minister for Roads and Public Works:-

- (a) whether he is aware that the Mareira-Makomboki Road, a section of the Kaharate-Gituuru Road, is completely impassable; and,
- (b) what plans he has to rehabilitate the road.

The Assistant Minister for Roads and Public Works (Eng. Toro): Mr. Speaker, Sir, I beg to reply.

(a) I am not aware that Mareira-Makomboki Road is completely impassable. However, I know that it has potholes and requires resealing to restore it to its original condition.

(b) The Ministry does not have plans to rehabilitate the road during this financial year. However, the road will be considered along with many others for resealing when funds are available.

Mr. O.K. Mwangi: Mr. Speaker, Sir, I appreciate the fact that I have received a written answer from the Assistant Minister. However, the answer amounts to a joke because if a road has potholes, it does not require resealing. It requires patching. The Assistant Minister knows that this road requires resealing and yet he has said that it is passable. What does that mean? Since the Ministry did not give maintenance funds for the last two years, when does it intend to re-seal the road?

Eng. Toro: Mr. Speaker, Sir, impassable means that a road cannot be used. The road has potholes and motorists drive with difficulties, but they reach their destinations. I have said that we have no plans to rehabilitate this road during this financial year because it is a tarmac road and it requires about Kshs0.5 billion to reseal the 6-kilometre length. That money is not available at the moment. However, as I said, we will consider this road along with many other roads whose

pavements have collapsed and they are in the classification of D and E, but cannot be repaired by the District Roads Committees (DRCs) because of the nature of the repairs required. Since these roads are many, we will allocate resources continuously, depending on the availability of the resources.

Dr. Galgallo: Mr. Speaker, Sir, the Assistant Minister has admitted that there are very many roads in this country, which are in a very bad shape. How long will it take the Ministry to repair all the roads in this country?

Eng. Toro: Mr. Speaker, Sir, that is a very difficult question. If I had the Kshs100 billion I require, I would be able to do a lot of work. However, the only money we rely on for maintenance is the approximately Kshs8 billion that we get from the Fuel Levy Fund. That is what we allocate to the District Roads Committees (DRCs), the roads maintenance department and the local authorities. That is not a lot of money. If hon. Members agree and pass the necessary amendments we could increase the taxation on fuel, so that we get more than Kshs8 billion to enable us repair more roads.

Mr. O.K. Mwangi: Mr. Speaker, Sir, now that the Assistant Minister says he is not likely to have this road repaired in this financial year, could he give an undertaking to the House that the road will be considered for resealing in the next financial year?

Eng. Toro: Mr. Speaker, Sir, if I give an undertaking now, I might be misleading the House and may be reminded in the next financial year that I gave an undertaking. What I said is that we will consider this road, alongside many others, when we allocate funds depending on the nature of repairs and the urgency of the work programmes that are required. However, since this road falls under the DRC, I will request the hon. Member to send work programmes from the district giving it as a priority, so that the Roads Department could look at it as a priority project.

Mr. Speaker: Next Question by Mr. Moroto!

Question No.794

LACK OF TEACHERS IN KAPENGURIA SCHOOLS

Mr. Moroto asked the Minister for Education, Science and Technology:-

(a) whether he is aware that the Kongelai, Sook, Chepareria and Kapenguria divisions lack teachers with most schools having one teacher serving eight classes; and,

(b) what plans he has to solve the problem.

Mr. Speaker: Is anybody here from the Ministry of Education, Science and Technology?

The Assistant Minister for Education, Science and Technology (Mrs. Mugo): I apologise, Mr. Speaker, Sir. But I had seen you earlier and we had agreed with Mr. Kembi-Gitura on the Question.

Mr. Speaker: This is a different one! It is Question No.794 by Mr. Moroto.

The Assistant Minister for Education, Science and Technology (Mrs. Mugo): I apologise once again. I will answer it. Could you call me in the next round? I am just picking up the papers.

Mr. Speaker: All right!

Question No.821

REDUCTION OF EXPENDITURE ON
STUDENTS IN FOREIGN UNIVERSITIES

Mr. Speaker: Mrs. Mugo, this is the Question you say you agreed on with Mr. Kembi-Gitura. Mr. Kembi-Gitura, is that okay with you?

Mr. Kembi-Gitura: Mr. Speaker, Sir, that is correct. We had agreed that it will be answered on Thursday, next week. But there is misspelling in the Question as it reads. The amount should be Kshs16 billion and not Kshs1.6 billion.

Mr. Speaker: All right! Correction ordered! The Question is, therefore, deferred as requested to Thursday, next week.

(Question deferred)

Next Question, Dr. Oburu!

Question No.801

COMPLETION OF BONDO
HOSPITAL OUTPATIENTS' BLOCK

Dr. Oburu asked the Minister for Health:-

(a) whether she is aware that the contractor abandoned the outpatient block of Bondo sub-district hospital ten years ago and no action has been taken by the Government to either terminate the contract or revive the project;

(b) whether she is further aware that the hospital is the only one in Bondo District and that the current facilities are dilapidated and congested, thus endangering the lives of patients; and,

(c) if the answers to "a" and "b" above are in the affirmative, what urgent steps she is taking to ensure speedy completion of the block.

Mr. Speaker: Is anyone here from the Ministry of Health?

An hon. Member: No one is here yet!

Mr. Speaker: Okay! I will wait for a while.

Next Question by Mr. Omingo!

Question No.503

UNTAPPED TOURISM POTENTIAL
IN GUCHA DISTRICT

Mr. Omingo asked the Minister for Tourism and Wildlife:-

(a) whether he is aware that there is untapped potential of tourism in Gucha District;

(b) what plans he has to include Tabaka Soapstone are in the tourism circuit; and,

(c) whether he could consider developing an exhibition centre at Ritumbe Hill where tourists can converge and appreciate the rich carving culture.

The Assistant Minister for Tourism and Wildlife (Mr. Mganga): Mr. Speaker, Sir, I beg to reply.

(a) Yes, Gucha District, which is part of the Western Tourism Circuit, has tourism potential ranging from culture, beautiful scenery and, of course, soapstone carvings. The area has also a lot of agricultural activity that presents opportunity for agro-tourism.

(b) The Ministry, in conjunction with the Kenya Tourist Board (KTB), launched the Western Kenya Circuit in April 2002 as part of the tourism diversification strategy. The promotion activities undertaken since the launch include; one, development of Western Kenya brochure covering the Tabaka Soapstone. The brochures have been used in exhibitions and other marketing

activities in the tourist source markets. Secondly, media familiarisation trips to the region to expose the region and highlight the attraction available for tourism have been undertaken. Thirdly, promotion of the destination website; that is, www.magicalKenya.com. Tabaka Soapstone has been covered on the website, leveraging on previous carvings now exhibited in major organisations abroad such as the United Nations (UN) Headquarters in New York and the massive seven-tone "bird of peace" located in the UNESCO Headquarters in Paris.

(c) The Ministry is currently encouraging the tourism stakeholders to come together and form associations at regional levels as a way of facilitating development and promotion of tourism in the region. The associations, once formed, are then able to initiate activities and events at the grassroots level, which can form part of itineraries for tourists. The Ministry through the KTB is working with the private sector tourism stakeholders, especially tour operators, encouraging them to include the western region and other new circuits as part of the itineraries for tourists. This will ensure tourists are exposed to diverse tourist attractions and also that communities benefit from what tourists spend on the ground.

Mr. Omingo: Mr. Speaker, Sir, as we all know, the Kisii soapstone is a unique mineral that does not exist anywhere else in the world except where it is today. If you look at the people surrounding this fantastic mineral, they are actually exploited and living in abject poverty because of the middlemen. It is for that reason that in part "c" of the Question, I asked the Assistant Minister if he could actually introduce an exhibition centre through the KTB to attract tourists to get down there and get that culture in its raw form.

Mr. Mganga: Mr. Speaker, Sir, as I said, we are encouraging private stakeholders as much as possible to include Gucha District in the tourism circuit. I would like to encourage the hon. Member that, since the Kisii soapstone, as he rightly says, is a unique cultural heritage and hardly found anywhere else in the world, the communities in the area could be encouraged to come together and form associations or co-operatives. The Ministry will be happy to facilitate in terms of funding of that operationalization of that community effort.

Capt. Nakitare: Mr. Speaker, Sir, I am one of the stakeholders in the tourism industry. I am happy to hear of plans to promote African stakeholders in Kenya. However, it is unfortunate that the Kenya Tourism Board (KTB) favours non-Kenyans. I have evidence on that. What plans does the Assistant Minister have to utilise the European Union (EU) money earned through the Tourism Trust Fund (TTF), Kenya Tourism Development Corporation (KTDC) and KTB?

Secondly, why do we distribute brochures overseas when we can promote local tourism? People need to know where Gucha is. Could the Assistant Minister explain why?

Mr. Mganga: Mr. Speaker, Sir, there is a joint effort between the Government of Kenya and the EU for marketing Kenya abroad, as a preferred tourist destination. That is not only done in the region, but internationally. So, the European Union and TTF money is to market Kenya abroad.

Secondly, when we talk about brochures, maybe, the hon. Member has not been in some of our exhibition centres within the country. The same brochures that are used abroad are distributed locally to various areas visited by tourists, especially in Gucha District. There are funds from TTF to assist such projects. We give grants to such projects if they are community-initiated, community-led and community-based. Those grants are not loans. Once they present their proposals to the TTF, which is under my Ministry, they will be considered accordingly.

Mr. Speaker: Very well! Last question, Mr. Omingo!

Mr. Omingo: Mr. Speaker, Sir, the Assistant Minister has accepted the fact that there is a unique cultural heritage in Tabaka. How much money has he put aside to promote the Western Tourism Circuit and, possibly, establish an exhibition centre in Tabaka?

Mr. Mganga: Mr. Speaker, Sir, I would like the hon. Member to remember that the

Western Tourism Circuit is not only in Gucha or Nyanza Province. It starts from Migori, Busia, Malaba, Kakamega and crosses over to Kericho, Kitale and up to Eldoret.

I want to assure the hon. Member that we have adequate funds to develop that facility.

(Mr. Omingo stood up in his place)

Mr. Speaker: Order, Mr. Omingo! What is biting you, my friend?

Mr. Omingo: Mr. Speaker, Sir, I am really getting itchy because the Assistant Minister has said that there is a lot of money, and I would like to know how much it is. In proportion, how much will my people benefit from those funds?

Mr. Speaker: Can you localise the tourism circuit? Mr. Assistant Minister, can you respond to that?

Mr. Mganga: Mr. Speaker, Sir, we are asking the hon. Member to bring forward any project proposals that he has to develop, utilise and exploit the unique cultural heritage in terms of the Kisii soapstone. We have the TTF under my Ministry and it gives grants to such organisations. However, if it is a commercial venture then it will be given a commercial loan under the KTTC. So, please, if it is a commercial venture, you will be given a loan. If it is community-based, even if it is an exhibition centre, the TTF will be happy to fund it. Just bring the project and we shall cost it. The funds are available.

An hon. Member: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: We are out of that Question now! Mr. Moroto, I must dispose off your Question! I understand that you and the Minister have agreed to defer it?

Mr. Moroto: Mr. Speaker, Sir, we have agreed it could be answered on Tuesday, next week.

Mr. Speaker: Very well. So, the Question is deferred!

Question No.794

LACK OF TEACHERS IN KAPENGURIA SCHOOLS

(Question deferred)

Next Question by Mr. Peter Munya!

Question No.804

LICENSING OF MEDIA
COMPANIES TO OPERATE IN MERU

Mr. Munya asked the Minister for Information and Communications when he will grant licenses to Nation TV and Kenya Television Network (KTN) to broadcast in the Meru region.

The Assistant Minister for Information and Communications (Mr. Were): Mr. Speaker, Sir, I beg to reply.

The Nation Media Group was issued with a broadcasting licence, TV and FM frequencies by the Communications Commission of Kenya (CCK) to broadcast in Meru region in April, 2004. The Kenya Television Network (KTN) has not applied to extend their services to Meru region.

Mr. Munya: Mr. Speaker, Sir, I would like to thank the Assistant Minister for that answer. But what policy does the Ministry follow in giving out those licences? Why does it give regionalised licenses instead of giving broadcasting and television stations general licences to operate in the entire country? That leaves some parts of the country behind the information age.

(Applause)

Mr. Were: Mr. Speaker, Sir, every region has a different frequency. That is why each television or radio station has to apply for different frequencies. But, even if we allowed them to operate nationally, some of them do not. Some have sat on those licences for several years.

Mr. Kajwang: Mr. Speaker, Sir, the policy of giving Frequency Modulation (FM) licences and extending them region by region shows that we are still in those days when we had not liberalised the airwaves. Why can we not give those media houses licenses and frequencies of all the regions, so that the people could listen to any radio station or watch any television station of their choice? Those frequencies are money to the Government and those people are ready to pay for the licences. Why are we stopping the Government from receiving money and giving our people the opportunity to view or listen to any station? I want Kiss FM to reach my village!

(Laughter)

Mr. Were: Mr. Speaker, Sir, I agree with the hon. Member that we should open up the airwaves. We are in the process of reviewing that and anybody applying for frequencies all over the country will be given.

Mr. Poghiso: Mr. Speaker, Sir, the Ministry controls the airwaves. I want to inform him that my constituency does not get any airwaves. Are we entitled to airwaves? Which frequencies are we entitled to? When are we going to have the Kenya Broadcasting Corporation (KBC) television broadcasting there?

(Applause)

Mr. Were: Mr. Speaker, Sir, I am not in a position to say which airwaves would apply in the hon. Member's constituency. But the KBC is cash-strapped due to mismanagement in the past. However, they are also trying to extend and cover those areas. For the other media houses, you know they are in business. So, even if we allowed them to extend to your constituency, they will only come there if it is viable for them.

Mr. Speaker: Mr. Munya, last question!

Mr. Munya: Mr. Speaker, Sir, could the Assistant Minister give an undertaking to this House that, once the KTN applies for a license to operate in Meru region, he will grant it promptly?

Mr. Were: Mr. Speaker, Sir, if they did it today, they will get it.

Mr. Speaker: Very well! Question No.138 is deferred until the end of next week at the request of the hon. Member!

Question No.138

RETIREMENT BENEFITS FOR
MR. JOHN YALO ODERA

(Question deferred)

Next Question by Capt. Davies Nakitare!

Question No. 707

ILLEGAL ALLOCATION OF
KITALE AERODROME LAND

Capt. Nakitare asked the Minister for Lands and Housing:-

(a) if he is aware that land belonging to Kitale Aerodrome which is a Class III airport measuring over 400 acres has been seized illegally by private developers; and,

(b) if the answer to (a) is in the affirmative, whether he could table the list of all the people allocated land together with the size of each land.

The Assistant Minister for Lands and Housing (Mr. Ojode): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that some land around Kitale Aerodrome was allocated to private individuals and the main aerodrome land is still intact as the Kenya Airports Authorities have a title to the land under L.R. No.25001.

(b) The people allocated land next to the airport are as follows: Maj. Gen. S.K. Kipsaita, with 5.02 hectares; Mr. G. Mukwana, with 0.2 hectares; Mr. H.S. Mavisi, with 0.2 hectares; Mr. G.N. Situma, with 0.2 hectares; Mr. A. Opicho, with 0.2 hectares; and A.I.C College, with 68.91 hectares.

Capt. Nakitare: Mr. Speaker, Sir, I am surprised to hear strange names that purportedly belong to people who grabbed land on the Kitale Aerodrome. The land was under DCA which was established in 1943.

Mr. Speaker: What is your Question?

Capt. Nakitare: Mr. Speaker, Sir, why does the Assistant Minister tell us that there are six allottees and yet I have a list of nine allottees and the total land acreage that has been grabbed is 34.9 hectares? I would also like to table this document.

(Loud consultations)

Mr. Speaker: Order, hon. Members! Would you, please, bring the document to me. I have to be satisfied first.

(Loud consultations)

Order, hon. Members! I have a white sheet of paper before me. The title reads: "Proposed Sub-division for Residential Plots South West of Kitale Municipality Remnant L.R. No.2071 Measuring Between 2.3 hectares and 5.5 hectares". The document is not signed by anybody. Therefore, I will not accept it to be tabled before the House.

Mr. Kajwang: On a point of order, Mr. Speaker, Sir. The Assistant Minister gave a confusing answer because in his answer to part (a) of the Question, he said that the land is intact and there is nobody who has been allocated the land. In his response to part (b) he gave a list of the people who are around the airport. What is he saying? Is he saying that the it is the land which is

intact that has been subdivided or not?

Mr. Speaker: I think he can make that clear. Was that land part of the airport?

Mr. Ojode: Mr. Speaker, Sir, the airport land is intact. However, there is this parcel of land called the aerodrome land. An airport is where the aeroplanes land. The aerodrome land is the one which---

(Loud consultations)

Mr. Bifwoli: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order, Mr. Bifwoli! To the best of my knowledge you have never been an expert on aerodromes. Let us listen to the Assistant Minister.

Mr. Ojode: Mr. Speaker, Sir, there is land meant for the Kenya Airports Authority (KAA). That is the land we call aerodrome land and it is outside the airport land. There is land which is meant for the airport and there is also land surrounding the airport and that is what we call aerodrome land. The land which is outside the airport where aeroplanes land, is the one which has been allocated.

Mr. Bifwoli: On a point of order, Mr. Speaker, Sir. The Question is about the aerodrome land, not the airport land. So, could the Assistant Minister answer the Question as it is?

Mr. Speaker: Let us get this Question absolutely clear. I think what the hon. Capt. Nakitare is worried about, is the acquisition of the land that belongs to Kenya Airports Authority in Kitale.

Mr. Ojode: Mr. Speaker, Sir, if he is worried about the land which is within the Kitale Airport, a portion of it has already been allocated. However, all the allottees I have mentioned have not been given title deeds. All they have are letters of allotment and as we speak, I can nullify the allotments because they have not even accepted the offer, neither have they made the required payments.

Mr. Serut: Mr. Speaker, Sir, I happen to come from Kitale and I know that the aerodrome land has all been taken over and is under maize cultivation. I am shocked to hear from the Assistant Minister that the land has not been allocated. Who is this cultivating the aerodrome land if it is true that it has not been allocated?

Mr. Ojode: Mr. Speaker, Sir, I mentioned here that the allotment of a portion of that land had already been done. However, those allottees only have letters of allotment. As you are aware, airports do not fall within my jurisdiction.

(Loud consultations)

Mr. Speaker: Order, hon. Members! At least we can do better than that. Let us listen to what he has to say.

Mr. Ojode: Mr. Speaker, Sir, in the event that they need to expand the airport, then, we shall not honour the letters of allotment that have been issued out to the allottees who have not paid for the land up to now. I would not know the person who is cultivating the land because some of the persons were given letters of allotment.

Mr. Mwandawiro: Bw. Spika, hili swali linahusu ubaguzi wa mashamba ya umma. Tunafahamu kwamba swala hili liko kote nchini. Badala ya Wizara kujaribu kutuonyesha kwamba inasuluhisha swala hilo, mbona isitangaze hadharani taarifa ya Ndung'u na kutekeleza mapendekezo yake?

Mr. Ojode: Mr. Speaker, Sir, I wanted to inform hon. Members that the land within the airport has already been issued with a title deed. About the areas which were allocated to

individuals, we will cancel the letters of allotment and the same land will be used for the intended purpose.

Mr. Midiwo: On a point of order, Mr. Speaker, Sir. The Assistant Minister has not answered the question. He has been asked why the Government is reluctant to make public the Ndung'u Report. The question is not about title deeds.

Mr. Ojode: Mr. Speaker, Sir, I think that question had been dealt with here yesterday by the Minister. Unfortunately, perhaps, he was not in the House.

Mr. Speaker: Mr. Orwa Ojode, you can ignore that.

Mr. Ojode: Mr. Speaker, Sir, that is right.

(Laughter)

Capt. Nakitare: Mr. Speaker, Sir, I have laid my facts before the Floor of the House. May I request the Assistant Minister to nullify all the allottees on this aerodrome land that covers 400 acres. What he is referring to as an airport is a landing strip. Land has been allocated to an institution where an aircraft takes off and if it crashes, it kills people over there. The Assistant Minister has to come out clearly on this. Mr. Speaker, Sir, we would like all this land to be repossessed by the Government. We want to expand Kitale airport to its original function.

Mr. Ojode: Mr. Speaker, Sir, I want to confirm here that we will liaise with the Minister for Roads and Public Works, Mr. Raila Amolo Odinga who is in charge of airstrips in the whole Republic!

(Laughter)

When he authorises us to cancel the allocation, I will nullify all those allotments except the one of AIC.

Question No.789

BAN ON EXPORTATION OF
MACADAMIA NUTS

Mr. Speaker: Very well. Question No.789 is withdrawn.

(Question withdrawn)

Dr. Oburu's Question for the second time.

Question No.801

COMPLETION OF BONDO
HOSPITAL OUTPATIENTS' BLOCK

Dr. Oburu asked the Minister for Health:-

- (a) whether she is aware that the contractor abandoned the outpatient block of Bondo sub-district hospital ten years ago and that no action has been taken by the Government to either terminate the contract or revive the project;
- (b) whether she is further aware that the hospital is the only one in Bondo District

and that the current facilities are dilapidated and congested thus endangering the lives of patients; and,

(c) if the answers to "a" and "b" above, are in the affirmative, what urgent steps she is taking to ensure speedy completion of the block.

The Minister for Health (Mrs. Ngilu): Mr. Speaker, Sir, I beg to apologise because I came in late.

Mr. Speaker, Sir, I beg to reply.

(a) I am aware that Bondo District Hospital project stalled ten years ago. I am also aware that the project stalled due to lack of funds and also mismanagement of the funds that had been allocated to the same project. However, the project was terminated in April, 2004. It has now a pending bill of Kshs18 million. The project requires a total of Kshs30 million to complete.

(b) Although I am aware that Bondo Sub-District Hospital is the only major hospital in the district, we have also Madiany Sub-District Hospital which has eased congestion at Bondo District Hospital.

(c) The Ministry has taken stock of all stalled projects in the country and the Government has initiated a programme to complete them through the Ministry of Roads and Public Works. It is expected that these projects will be completed on prioritised basis beginning the financial year 2005/06. Meanwhile, we have set aside Kshs4 million for this financial year to restart the project.

Dr. Oburu: Mr. Speaker, Sir, I am surprised that the Minister is saying there is no congestion at Bondo Hospital. The Minister was in Bondo recently. No wonder she is talking about Madiany because she only reached there, landed with a helicopter at Bondo Hospital and refused to go in. People are piling on top of each other at Bondo Sub-District Hospital. I would like her to tell me what she will do about the congestion at Bondo Sub-District Hospital before this ward is build because people are dying? People have to be transferred to Kisumu and Siaya for treatment. Women are unnecessarily lying on the floor of the house, on top of each other and the Minister refused to go into the hospital.

Mrs. Ngilu: Mr. Speaker, Sir, patients are not lying on the floor of the house. I agree that Bondo Sub-District Hospital is congested. This is not the only case of such a nature. Most of our district and sub-district hospitals are congested, more so in that region where HIV/AIDS and Malaria have taken their toll. I have set aside Kshs4 million which will restart this project. May I tell the hon. Member that when I visited that hospital, as much as I was touring the hospital, the people there were just telling me "*Kwanza, ongea siasa*". So, I said that there was no *siasa* and that I was checking on what was happening on the project.

Mr. Kembi-Gitura: Mr. Speaker, Sir, I am very happy with the answer that the Minister has given, particularly where she said that they will complete all the stalled projects of hospitals through the relevant Ministry. Last year I raised the issue of Muriranja District Hospital in Murang'a with the Minister. This is a project in which the Government has spent more than Kshs100 million and then it abandoned it. According to the Minister Kshs63 million is required to complete that project. Now that the Minister has said that she plans to complete these projects, could she be so kind as to let us know which projects exactly she has lined up from now to 2005 so that we are able to assuage our constituents because these matters are causing a lot of anxiety?

Mrs. Ngilu: Mr. Speaker, Sir, it is true there are many stalled projects, not only for the Ministry of Health but in other Ministries. I am now concerned about the stalled projects for the Ministry of Health. We have taken stock of this issue and we are liaising with the Ministry of Roads and Public Works to ensure that they are restarted. I can produce the list in the House at a later date. I do not have it right now.

Dr. Galgallo: Mr. Speaker, Sir, as the Minister has said, this is a very serious problem

throughout the country. There are four uncompleted projects in Embu Provincial Hospital. These are a maternity ward, staff housing project, mortuary and a theatre. Clearly, this is a case of mismanagement as she has said. What action does she plan to take against people who have misplanned and mismanaged the resources of the Ministry of Health in the past?

Mrs. Ngilu: Mr. Speaker, Sir, what the hon. Member has said about Embu Provincial Hospital is true. Embu Provincial Hospital had been allocated Kshs500 million. I stopped the project because after taking stock of the situation, we realised that it could have been completed with about Kshs200 million. The Arab Bank said that they would only put all the money in the Embu Hospital and we felt that it would be misused because it is much more than what was required. Therefore, they cancelled that loan and said that unless we use all of it in Embu, it would not be used at all. Had it been used there, maybe we would have completed the project. Otherwise, the Government stopped this project. We are looking into it once again.

Dr. Oburu: Mr. Speaker, Sir, the Minister did not go into the hospital because people wanted *siasa*. But the people of Bondo are your people; they are from your party. That notwithstanding, the Minister said that she has allocated Kshs4 million towards starting the Bondo project. She also said that the contract has been terminated. Who will use that Kshs4 million? What will Kshs4 million do in that hospital? Who will do the job?

Mrs. Ngilu: As I said this project requires Kshs30 million. To restart, we need to re-advertise and get new contractors. Therefore, we will start with this Kshs4 million while waiting for new budgetary allocations in 2005/2006 Financial Year. I will make sure that it is part of the budget next year. I realise the need that this hospital has.

QUESTIONS BY PRIVATE NOTICE

ELECTIONS ULTIMATUM FOR POLITICAL PARTIES

Dr. Khalwale: Mr. Speaker, Sir, I beg to ask the Minister for Justice and Constitutional Affairs the following Question by Private Notice.

(a) Could the Minister confirm that he has issued a six month ultimatum to political parties to conduct elections and file returns with the Registrar of Societies?

(b) Is the Minister aware that the above directive has created anxiety amongst members of political parties?

(c) Could he confirm that the directive is in the interest of strengthening political parties in Kenya, in the absence of a legal framework to regulate them?

The Assistant Minister for Justice and Constitutional Affairs (Mr. Githae): Mr. Speaker, Sir, I beg to reply.

(a) Yes, I confirm.

(b) I am not aware.

(c) It is not true that there is no legal framework for the conduct of the affairs of political parties. Parties are registered under the Societies Act, Cap. 108 of the Laws of Kenya which has elaborate provisions on how registered societies should conduct their affairs. We, however, appreciate the need for more concrete measures to nurture, strengthen and institutionalise political parties. That is why we have initiated a process to develop the Political Parties Bill. However, until the proposed Bill is passed into law, the existing law must be followed to the letter, and enforced in the spirit of the rule of law.

(Dr. Godana stood up in his place)

Mr. Speaker: I am afraid, I must give this chance to Dr. Khalwale first!

Dr. Khalwale: Mr. Speaker, Sir, according to the Advanced Learners English Dictionary, a political party by definition is not a society. In his admission, the Assistant Minister has told us that the law is defective at the moment. Could he withdraw the original directive concerning political parties until such a time that the Political Parties Bill has been enacted by this House, so as to allay our fears that the Executive wants to use that mischief in law to kill political parties and democracy?

(Applause)

Mr. Githae: Mr. Speaker, Sir, as I have said, political parties are registered under the Societies Act, which is the current law. However, we have recognised that this is not an ideal situation because political parties are more than groups and societies. Therefore, I am saying that the NARC Government was elected on a platform of following the rule of law. Currently, not a single political party, including the ruling party, NARC, has complied with the Societies Act. I can give this House instances where that Act has not been complied with. We have 53 registered political parties today, and only 40 have submitted their returns. Many political parties have applied to be registered because under the Political Parties Bill, the parties will be financed by the State. So, most of them think that by merely registering, they will qualify for State funding which is not correct. This is because there is a threshold of 5 per cent of the total votes cast in an election. Therefore, the law is there and it is not defective. Political parties must follow the law like any other company, society or Kenyan. Not a single political party has followed the law since the inception of multipartism in this country. Political parties must start following the law now and that is why they have been given notice to put their house in order.

Dr. Godana: Mr. Speaker, Sir, it is interesting to hear the Assistant Minister tell us that the NARC Government was elected on a platform of respecting the rule of law. The rule of law requires that when public officials make decisions, they should point to the specific rule which gives them authority to make those decisions. Could the Assistant Minister tell us under which rule, statute or article the Minister gave that directive? Could he also tell us what format was that directive? Could he further tell us whether it was an announcement made on the radio only, or whether the Minister had a written and signed directive to each and every political party?

Mr. Githae: Mr. Speaker, Sir, the Ministry of Justice and Constitutional Affairs gives policy guidelines to other State organs. Immediately the Minister gave the policy guideline, the Registrar of Societies - and you have seen even in today's newspapers - put a notice requiring all political parties to, first of all, furnish him with their annual returns, accounts, registered offices and list of members. Political parties have not been doing this. So, the Registrar of Societies, under Section 30, has written to all the parties. He has even put adverts in the newspapers, and today's was the sixth day, asking political parties to comply with the current law. This is because this state of affairs is totally unacceptable. We, as political parties, must follow the law.

Mr. Angwenyi: Mr. Speaker, Sir, the Assistant Minister has said that the law under which political parties operate is not ideal. Could he consider disbanding all of them so that we can go into a movement system while we enact the proposed Political Parties Bill?

Mr. Githae: Mr. Speaker, Sir, under the Societies Act, there is no provision for the Minister to abolish political parties. The registration of parties can only be cancelled or suspended if they do not comply with the law. At the moment, they have not done that. The ruling party in the previous regime was not following the law and, therefore, it was not enforcing it. I am saying that NARC is

different from KANU and we want to start following the law. Therefore, political parties have been given six months, which we think is adequate for them, to start following the law. After that period, the ones which do not follow the law will have themselves to blame if their registration is cancelled or suspended. Even my political party, NARC, is in breach of the law.

Dr. Khalwale: Mr. Speaker, Sir, the Assistant Minister in his answer has referred to NARC as a political party, and yet in our understanding that is a coalition. If it is a coalition---

Mr. Speaker: Order! As far as I know, as I sit here as your Speaker, on my right hand side are Members of NARC!

(Applause)

Hon. Members: No! We have FORD(P) and KANU Members here!

Mr. Speaker: Order! Those are the returns I have from the Electoral Commission of Kenya (ECK). How you came here is not my business!

Hon. Members: FORD(P)! *Watu wengi!*

Mr. Billow: On a point of order, Mr. Speaker, Sir. I respect your ruling, but, in fact, we have Members of my political party and FORD(P), who are seated on that side of the House. Could you give a directive that they take their respective seats on this side of the House?

(Applause)

Mr. Speaker: Order, hon. Members! I do not want to be sucked into the existing political confusion! I want to stay above the fray and act according to the law, which I know. I know the political parties which are represented in this House and the ones which do not exist. That is as far as I know.

Dr. Khalwale, ask your last question now!

Dr. Khalwale: Mr. Speaker, Sir, since the Assistant Minister has reiterated that this Government was elected on the platform of respect of the rule of law, could he confirm to this House whether at the Registrar of Societies, the Chairman of the Democratic Party (DP) is His Excellency, Mwai Kibaki, Ford-(K) is hon. Musikari Kombo and the Liberal Democratic Party (LDP) is Prof. Larry Gumbe? If so, did he consult them before he issued that directive?

Mr. Githae: Mr. Speaker, Sir, let me reiterate again that none of the registered parties in this country has complied with the law. They have been given six months to comply with the law, failure to which their registration will either be cancelled or they will be suspended until such time as they comply with the law. So, there was no need to consult the parties because the law is there in black and white. The Societies Act has never been amended. It is the law and, therefore, I am now giving notice to all registered political parties that they must comply with that law, including National Rainbow Coalition (NARC).

Dr. Oburu: On a point of order, Mr. Speaker, Sir. The Assistant Minister is giving political parties six months to comply with the law. I would like to seek clarification whether there is anybody in this country who knows that the law is being violated and they have powers to excuse those who are violating the law, and even give them time to obey. Where does he derive the power to give that directive that political parties correct themselves within six months?

Mr. Speaker: Order! Hon. Members, you are, rather unwittingly, treading on very dangerous grounds. If any Kenyan was so public spirited as to question your political utterances, either in this House or outside, as to where you belong, you may be living very dangerously. So, please, let us be very careful. There is a constitutional provision as to political party allegiance and

hon. Members must watch that. I do not want to get into it any further than that. I think it is quite dangerous for your political health.

Mr. Githae: Mr. Speaker, Sir, I actually expected the hon. Member to commend this Government for giving notice instead of acting. If the law were to be followed now, strictly, not a single political party would be existing in this House, meaning that we would not actually be in this House.

Mr. Speaker: Mr. Githae, you are exuding with generosity and forgiving everybody for breaking the law. Dr. Oburu is asking you, who gave you the power to ask people to break the law and you excuse them?

Mr. Githae: Mr. Speaker, Sir, as I explained earlier, the former ruling party, KANU, was not following the provisions of the Societies Act. Therefore, it was not in their own interest to enforce the Societies Act. We are now saying that NARC was elected on the platform of following the law and we shall enforce the law.

Mr. Mwenje: On a point of order, Mr. Speaker, Sir. Now that the Assistant Minister has said all parties have broken the law, and he has been reminded by Dr. Oburu that they are in the wrong, could he now disband them right away so that we go back home for elections?

(Applause)

Mr. Githae: Mr. Speaker, Sir, the law does not work in a vacuum. The former ruling party was not enforcing the law and these circumstances must now end.

Mr. Speaker: Order! Order! We prolonged these things because we do not speak as we should. No ruling party rules the country, it is the Government that does. Do you mean, Mr. Githae, that NARC can actually direct the police not to prosecute political parties? Is that what you are saying?

Mr. Githae: Mr. Speaker, Sir, even after an offence has been committed, before somebody is taken to court, all circumstances are considered. In some cases, due to public interest, some cases are not prosecuted.

Archbishop Ondiek: Mr. Speaker, Sir, now that the Assistant Minister is saying the Government is in power illegally because there is no party which is legal, could he tell us what he is going to do? Are we going to dissolve the Government?

Mr. Wanjala: On a point of information, Mr. Speaker, Sir.

Mr. Speaker: Just relax!

Next Question!

(Laughter)

MEASURES TO REDUCE CHILD
MORTALITY RATE IN LAISAMIS

Mr. Ngoyoni: Mr. Speaker, Sir, I beg to ask the Minister for Health the following Question by Private Notice.

(a) Is the Minister aware that three in every ten child births are lost in Laisamis Constituency due to lack of medical facilities?

(b) What plans does she have to reverse the situation?

The Minister for Health (Mrs. Ngilu): Mr. Speaker, Sir, I beg to reply.

(a) We have a reduction of child mortality rates from 89 children to 74 for every 1,000 live births, according to Kenya Demographic and Health Survey of 2003. The figure for Marsabit

District is 76 deaths for every 1,000 live births. Information from our facilities in Laisamis Constituency does not indicate such a high rate. For instance, at Laisamis Catholic Hospital, over the last three months, there were 17 deliveries and no deaths were reported. In Kraji Catholic Dispensary, over the last three months, there were 28 deliveries and no deaths were reported. Currently, Laisamis Constituency is very well served with 10 health facilities which are well equipped and with adequate staff.

(b) The Ministry has taken the necessary measures to reduce both maternal and infant mortality rates by providing Kenya Expanded Programme on Immunisation (KEPI) with logistics and drug kits to all facilities, including faith-based facilities. There is also an on-going programme of training for traditional birth attendants on safe motherhood. So far, about 150 traditional birth attendants have been provided with training. This is being done because of the pastoralist nature of the community.

Mr. Ngoyoni: Mr. Speaker, Sir, to say the least, the answer is "choking". I think the Minister has been misinformed. In the whole of Laisamis Constituency, we do not have a single Government-run medical facility. There are only a few and far apart mission-run facilities, none of which has a maternity ward. They only offer out-patient services. Therefore, this answer is disgusting. I would rather the Minister revisits this matter and comes with a better answer.

Mrs. Ngilu: Mr. Speaker, Sir, certainly, I will be ready to do that. It is true that we do not have public hospitals or dispensaries in that area. However, at the moment, we are using mission facilities. We are giving them drugs and drug kits. For example, Laisamis Catholic Hospital---

Mr. Ngoyoni: On a point of order, Mr. Speaker, Sir. I would like the Minister to be serious and behave responsibly!

Mr. Speaker: Order, Mr. Ngoyoni! That must start with yourself! So, please, respect the Minister and put your question in a civilised manner! What is your point of order?

Mr. Ngoyoni: Mr. Speaker, Sir, the Minister is not in order because mission hospitals and dispensaries do not receive drugs or staff from the Government. Therefore, she does not have any information about that particular area!

Mrs. Ngilu: Mr. Speaker, Sir, with all due respect, I would like to inform the hon. Member that I am aware that within the ten facilities in his constituency, we do not have public facilities. However, we are serving all the mission facilities; we are giving them drugs. In fact, it is our policy now as the Ministry of Health to provide them with vehicles. We have done that in some centres.

Ms. Ndung'u: Mr. Speaker, Sir, one of the biggest causes of child mortality is because women give birth at home. One of the reasons why they give birth at home is because whether they do so in private, mission or Government hospitals, they are forced to pay maternity fees. What measures is the Minister taking to ensure that women stop paying maternity fees?

Mrs. Ngilu: Mr. Speaker, Sir, I fully share the concern of the hon. Member. I know every hon. Member in this House has seen what women have been going through. Therefore, I intend to put enough funds in the next Budget so that women can have relief on this issue.

Dr. Galgalo: Mr. Speaker, Sir, the figure the Minister read, of live births in those facilities, is not infant mortality. Infant mortality are the deaths that occur within the course of the year. National demographic and health surveys have not been covering areas in Northern Kenya, Laisamis and Marsabit District. Could the Minister undertake to do a survey of Marsabit District to ascertain the infant mortality rate in Laisamis Constituency?

Mrs. Ngilu: Mr. Speaker, Sir, I undertake to do that, but at the moment, the statistics that I have, and I would like to read, say that out of the deliveries that we have got in these facilities, there were no reported deaths.

Mr. Bahari: On a point of order, Mr. Speaker, Sir. Justice has not been done to this

Question. Would I be in order, through the Chair, to ask that this Question be deferred, so that the Minister can bring an appropriate and sufficient answer? The hon. Member says no drugs have been received through the mission hospitals and there are no maternity wards in that place. However, the Minister talks of so many other things that the hon. Member is not aware of. Would I be in order, through the Chair, to ask the Minister to go and do better research because this is a whole constituency and there is not a single Government facility? This is a very serious matter!

Mrs. Ngilu: Mr. Speaker, Sir, may I just run through the number of maternity facilities we have there? I have admitted that there is no Government facility in that area. At the moment, we are serving the mission hospitals. This does not mean that we cannot put up our own facilities. At Laisamis Catholic Mission Hospital there is a 40-bed maternity unit with a theatre. In Gatagwe AIC Health Centre, there is a maternity wing with 40 beds; in and out-patient. There are maternity services at Loyangalani Catholic Health Centre, Kor Don Bosco Dispensary and Karagi Catholic Health Dispensary. So, all of them, indeed, give maternity care. This is not to say that we should not make the place better.

I would like to share with hon. Members that I did not have money for distribution of drugs. It is only today that I have been authorised to use army trucks to deliver drugs in all these places.

Prof. Oniang'o: Mr. Speaker, Sir, I know this Minister cares for the health of poor Kenyans. We are all aware that all over Kenya, there are many mission hospitals which are serving Kenyans and which will require to be used by the Government while other Government institutions are put up. Could the Minister tell us what plans she has to give appropriate support to these mission hospitals all over Kenya?

Mrs. Ngilu: Mr. Speaker, Sir, as you are aware, we have already made a breakthrough with the National Social Health Insurance Bill, which is awaiting debate. If it passes, this will ensure that all public, mission and private hospitals are properly served and they have adequate resources for each and every Kenyan.

Mr. Ngoyoni: Mr. Speaker, Sir, again, for record purposes, I would like to repeat---

(Loud consultations)

Mr. Speaker: Order, hon. Members! Mr. Ngoyoni, the hon. Member for Laisamis, is urging for the lives of the unborn. So, could we listen to him?

Proceed, Mr. Ngoyoni!

Mr. Ngoyoni: Mr. Speaker, Sir, I would like to repeat on the Floor of this House that other than Laisamis Catholic Mission Hospital, none of the other facilities that the Minister has mentioned have any maternity facilities. That should be put on record. Having said that, I would like to thank the Minister because she has the commitment---

Mr. Speaker: Mr. Ngoyoni, would you like the Minister to find out whether, as a matter of fact, those other facilities do exist? Would you prefer that?

Mr. Ngoyoni: Yes, Mr. Speaker, Sir.

Mr. Speaker: Mrs. Ngilu, would you like to confirm?

Mrs. Ngilu: Mr. Speaker, Sir, I would like to confirm. I thank the hon. Member.

Mr. Speaker: I will give you two weeks to do so.

Mrs. Ngilu: Mr. Speaker, Sir, I have taken a date to visit that area. I would want to check which date I am next visiting that area then I could go with the hon. Member.

Mr. Speaker: Very well! This Question is deferred to Wednesday; two weeks from now!

(Question deferred)

Next Order!

POINTS OF ORDER

DISRUPTION OF ELECTRICITY SUPPLY IN MOYALE TOWN

Dr. Galgalo: Mr. Speaker, Sir, I rise on a point of order to seek a Ministerial Statement from the Minister for Energy. Moyale Town has been experiencing blackouts and disruptions of power since October last year. Disruptions have caused severe damage to expensive electrical equipment such as television sets and fridges. Further more, these constant blackouts have affected the industrial activities of the numerous budding *Jua Kali* artisans.

I would like the Minister to tell us why Kenya Power and Lighting Company (KPLC) has failed to address this serious problem which has persisted for over one year despite numerous complaints by the residents of the town. I would like him to explain to us what plans they have to ensure that immediate action is taken to restore regular supply of electricity to the town.

WEALTH DECLARATION BY PUBLIC SERVANTS

Mr. Khamisi: On a point of order, Mr. Speaker, Sir. I rise to seek a Ministerial Statement from the Minister for Justice and Constitutional Affairs regarding wealth declaration forms that are supposed to be filled by public servants. Last year, all public servants were supposed to complete wealth declaration forms. It was expected that these forms would be open to public scrutiny. Unfortunately, that was not done. I would like the Minister to tell us the rationale of repeating the exercise this year when last year's declarations were not scrutinised. I also would like the Minister to indicate whether he intends to open public servant's files to public scrutiny. Finally, I would like him to comment on the issue of *Harambees* which, according to me flout the Public Officer Ethics Act, which was passed last year in this House.

Mr. Speaker: Mr. Githae, are you ready to respond to that?

MINISTERIAL STATEMENT

WEALTH DECLARATION BY PUBLIC SERVANTS

The Assistant Minister for Justice and Constitutional Affairs (Mr. Githae): Yes, Mr. Speaker, Sir.

The wealth declaration forms which were filled in last year have not been opened to public scrutiny because this House passed a law that provides that they remain confidential. That provision is being reviewed and we will require an amendment to the Public Officer Ethics Act. The rationale behind repeating the exercise is that the law requires that the forms be completed once every year. For new Government employees, it is a requirement that they complete them.

On *Harambees*, the hon. Member is right that a good number of hon. Members in this House have been breaching the law regarding this issue. I am putting it on record that from now henceforth, we will enforce the law regarding *Harambees*. Anybody who flouts it will be

prosecuted. So, take note of this.

I just want to clarify one point regarding what I have said. *Harambees* have not been banned in this country. Public officers are allowed to attend and contribute money from their own pockets, but they are not allowed to solicit money from anybody. In fact, what I have just said is published in one of our today's local newspapers.

Mr. Speaker: Order, Mr, Assistant Minister! Major Government announcements should be made in this House. Why do we have parliamentary democracy?

The Assistant Minister for Justice and Constitutional Affairs (Mr. Githae): Mr. Speaker, Sir, that is why I took the first opportunity to give a Ministerial Statement when the hon. Member asked for it.

Mr. Sasura: Mr. Speaker, Sir, in view of the fact that there are many projects in this country which are supposed to be completed by the Government, yet it does not complete them, could the Assistant Minister assure this House that the money we will contribute towards these projects will not be understood to be from other people's pockets?

The Assistant Minister for Justice and Constitutional Affairs (Mr. Githae): Mr. Speaker Sir, sources of money of public officers are known by the public. Therefore, if an officer contributes Kshs2 million or Kshs3 million towards a project, we will ask them where they got it from.

POINT OF ORDER

THREAT TO EVICT TASSIA ESTATE RESIDENTS

Mr. Mwenje: On a point of order, Mr. Speaker, Sir. I rise to seek a Ministerial Statement from the Minister for Labour and Human Resource Development. I do not know if he is here, but at least the Leader of Government Business is here.

Hon. Members: He is here!

Mr. Mwenje: Mr. Speaker, Sir, if he is here, that is good. Yesterday, there was a story on the back page of *The Standard* newspaper regarding threatening notices, which were distributed to people who live in one of the estates in my constituency called Tassia and its environs. The issue has already been discussed by the people who live there, the former Minister for Labour, hon. Mwakwere, and I. We reached an agreement with the Managing Trustee of the National Social Security Fund (NSSF). Despite that, the NSSF is still threatening to evict residents of this estate and its environs, while discussions are still going on. This is a serious matter. People in this area are living in fear that an unscrupulous person will come and evict them from their houses. It is on this basis that I demand a Ministerial Statement from the Minister for Labour and Human Resource Development to tell us the true position of the situation, and whether he will honour our agreement. Those who sold the land which the estate stands on did so exorbitantly, and they want to recover their money from NSSF and other people who owe them money. In the meantime, the Minister for Labour and Human Resource Development should stop action against the residents of Tassia until a solution has been found. I want to hear from the Minister when the Statement will be tabled. This is an urgent matter that needs to be addressed immediately.

The Assistant Minister for Labour and Human Resource Development (Mr. Khalif): Mr. Speaker, Sir, I have heard Mr.Mwenje's concern. I will come with the Ministerial Statement on Wednesday afternoon.

Mr. Mwenje: But this is an urgent matter!

Mr. Speaker: Mr. Mwenje, we do not speak like that here! What is agitating you?

Mr. Mwenje: Mr. Speaker, Sir, what is agitating me is that there is some urgency. Could

the Assistant Minister assure me that no action will be taken against the residents before the Ministerial

Statement is brought to this House? People are living in fear of being evicted from the area?

Mr. Speaker: Mr. Assistant Minister, are you able to assure the hon. Member that nothing will happen before you bring a Ministerial Statement?

The Assistant Minister for Labour and Human Resource Development (Mr. Khalif): Mr. Speaker, Sir, I am not in a position to assure the hon. Member that nothing will be done before the Ministerial Statement is brought here.

MOTION

ADOPTION OF PAC SPECIAL REPORT
ON PROCUREMENT OF PASSPORT
ISSUING EQUIPMENT

THAT, this House adopts the Report of the Public Accounts Committee on Special Audit Report on Procurement of Passport Issuing Equipment by the Department of Immigration, Office of the Vice-President and Ministry of Home Affairs, laid on the Table of the House on Tuesday, 6th July, 2004, subject to deletion of all the words after the word "behalf" on page 26, line 5, paragraph 3, to the end.

(Mr. Omingo on 4.8.2004)
(Resumption of Debate interrupted on
2.11.2004)

Mr. Omingo: Mr. Speaker, Sir, just as I was about to conclude my remarks, I said that we have a donor-dependency syndrome that is tied to graft; just we were tied to M/s Anglo Leasing and Finance Company. There are a few issues that I want to draw attention of hon. Members to. One of them, that is so fundamental, is that the decision made to amend and mutilate the Motion on the Floor was done without a critical ruling from the Chair.

Mr. Speaker: Order! What are you talking about?

Mr. Omingo: Mr. Speaker, Sir, there was an amendment moved on the Floor of the House regarding the expunging of a name from the report. The very foundation of the argument was that the Minister was not summoned and there was supposed to be a ruling. We debated the amendment and actually voted on it without a ruling from the Chair.

Mr. Speaker: Order, Mr. Omingo! First, you have been on that issue for long! Yesterday, you talked about that particular issue about five or six times. Secondly, before you came here, that ruling was delivered as was promised on Thursday, 28.10.2004. It has already been delivered! As far as that issue is now concerned, you have over-belaboured that point and any further reference to it will be deemed to be repetition. Could you, therefore, move away from it? We gave the ruling in your absence!

I will also give the following ruling. When an hon. Member is replying to a debate he has moved, his contribution must of necessity be restricted to contributions made by other hon. Members. He should respond to only those points raised. The rule is: Do not re-open debate! That is the rule!

Mr. Omingo: Mr. Speaker, Sir, I am responding to issues raised on the Floor of the House. When Ms. Karua contributed to this Motion, she said, and I quote:

"In my humble view, the Minister will only be held responsible if he or she does not handle his or her duties with diligence. The Minister should be held responsible if he or she is reckless in the performance of his or her duties; omits or fails to do what he or she must do."

In response, the Minister said:-

"Mr. Deputy Speaker, Sir, Mr. Mwiraria is a human being. I accept the fact that human beings do err. With hindsight, if I had known what I know today, I would not have approved the project."

Ms. Karua further said: -

"I want to say that in view of the fact that investigations need to be completed, we will now have given the go-ahead for the formation of the anti-corruption body. Let this be the first Kenya Anti-Corruption Commission's (KACC) job."

We want to imagine that when this report is adopted, the KACC will move towards expediting what should be done.

Mr. Rotino, in his contribution to the Motion, said that a cartel of officers charged with responsibility of managing public funds colludes to misappropriate them. How many Anglo Leasings do we have that have not hit a snag because of disagreements between public officers?

In conclusion, 28th October, 2004 was the darkest day in my life. It was so because a beautifully born baby was mutilated by enemies of development and friends of corruption. For that reason, I am at pains to adopt my already mutilated baby because the principal culprit's name behind this scandal has already been expunged from the report. Were it not for the fact that I chaired this Committee, I would actually not have accepted the way this report was mutilated by those who embrace graft. When this report is adopted, action must be taken. The forensic science laboratory project must of necessity be brought to the House for investigation.

[Mr. Speaker left the Chair]

[Mr. Deputy Speaker took the Chair]

I am sure that some hon. Members may be worried that I might touch on what they said or did not say. Some legal experts, including my good friend, Mr. M. Kariuki, used legal jargon in their contributions to confuse hon. Members as to what summons are or are not. However, I respect the ruling of the Chair and the decision taken by the House to mutilate my beautiful baby. I, therefore, request the House to adopt this report.

Mr. Deputy Speaker, Sir, with those few remarks, I beg to move.

(Question put and negatived)

BILLS

Second Reading

THE GOVERNMENT FINANCIAL MANAGEMENT BILL

*(The Minister for Finance
on 14.5.2004)*

*(Resumption of Debate interrupted
on 2.11.2004)*

(Loud consultations)

Mr. Deputy Speaker: Order, hon. Members! We are on Order No.8. Mr. J. Nyagah was on the Floor when we were [**Mr. Deputy Speaker**] interrupted on 19th May, 2004. How many minutes did he have?

Is Mr. J. Nyagah there? He is not there, therefore, I will give a chance to any other hon. Member wishing to contribute to the Government Financial Management Bill.

There being no hon. Member wishing to contribute to this Bill, I will call upon the Mover to reply.

The Assistant Minister for Finance (Mr. Katuku): Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to respond to the views of hon. Members on the Government Financial Management Bill, 2004. I first want to thank hon. Members for the contribution they have made to this Bill. I want to assure them that their constructive views will be put into consideration during the Committee Stage.

I also want to thank the Departmental Committee on Finance, Planning and Trade for the good work they did on the Bill. We have looked at its report and we will incorporate some of its recommendations at the Committee Stage in order to improve the Bill. The intention of this Bill, as I said when moving it, is to provide overall financial management, which includes the responsibility to ensure prudent management of our resources. It is also intended to provide prudent administration of resources voted by this House. We want to ensure that all loopholes are sealed. This will ensure that funds voted by this House are properly utilised. We will achieve this goal by having responsible officers administering accounts. The Accounting Officers will be appointed by the Treasury to all departments, Ministries and Commissions. We will also ensure that there is a prudent way of auditing expenditure.

So, the Bill will provide for better accounting and revenue collection systems. We have some miscellaneous provisions in this Bill, which will also ensure that the performance of the Budget will be put to test. Through a provision made in this Bill, we will be expected to table in this House all matters relating to the Budget through the Parliamentary Budget Office. We will have a Budget Officer appointed.

I would, therefore, like to assure hon. Members that the concerns they have raised, while contributing to this debate, will be addressed. As the NARC Government, we would want to see that corruption in public institutions and departments is eliminated.

With those few remarks, I beg to move.

(Question put and agreed to)

Second Reading

THE INVESTMENT PROMOTION BILL

*(The Assistant Minister for Trade and
Industry (Mr. Miriti) on 2.6.2004)*

*(Resumption of Debate interrupted
on 8.6.2004)*

Mr. Deputy Speaker: Who was on the Floor? Dr. Kibunguchy had finished. Who is willing to contribute to this Bill?

Dr. Oburu: Mr. Deputy Speaker, Sir, the Bill before the House is very important. This country needs investment so much. We need to enact laws which will make it possible and easy for investors to come and invest in this country. Kenya, at Independence, was at par with countries like Singapore and others in the Far East. Today, Kenya is being compared with neighbouring countries, which were very far away from us. We should be comparing Kenya with countries which have developed. We should not be comparing Kenya with countries which are under-developed.

The strategies that these countries adopted in order to attract investment is what Kenya should be trying to emulate. Kenya should not talk about encouraging investment when we have laws and bureaucratic institutions which discourage investment in the country. The people who come to invest in this country, sometimes take up to three years to get the relevant licences. If you apply to invest in a certain venture, you are told that you need to get a certain licence from the Ministry of Energy. When you get it, you are told that you need clearance from, say, the Water Catchment Board. After you are through with that board, you are told that you need another licence from the Kenya Power and Lighting Company. You are required to get licences from so many institutions, including local authorities. By the time you get all the licences, including clearance from the Ministry of Finance, if you are investing massively and you want exemption, it will have taken you between one year and three years. In Uganda, if you approach a Minister and tell him that you would like to take some money to that country for investment, the President of that country himself takes interest. It takes only about three weeks for you to get all the licences required.

Mr. Deputy Speaker, Sir, the objective of this Bill is to make it easier for people wishing to invest in this country to do so without impediments and also prevent corruption. Investors have cited corruption as a very big impediment to investment in this country. The objective of this Bill is to create institutions like the Investment Promotion Centre (IPC). However, the IPC does not do anything to facilitate investment. It is simply an information centre, where you go and get information. Once the investor gets the information, he has to move from one office to another. Sometimes, he has to go to 15 or 20 Government institutions and bodies before he gets the relevant licences. We hope that, when eventually this Bill is enacted, there will be a one-stop centre from which an investor can get all the relevant information and the facilitation to bring money and invest in this country.

Last week, we were in London, where we met the East African Business Community. Those people said that it took them more than two years to get one licence in Kenya. They had to chase up clearance with the Ministry of Transport, and then with the Ministry of Finance, among others. They were unable to make progress. When they went to Uganda, they got all the licences within two or three weeks, and they are now operating there. It is, therefore, very important that this Bill is enacted. We hope that, once it is enacted, the much needed investment will come to this country.

Mr. Deputy Speaker, Sir, we need investors in both the service and production industries. On the production industry, I can cite an example of an American who was coming to invest in the Yala Swamp in my constituency. That man was supposed to get a licence from the local authorities of Siaya and Bondo. That took a long time. That man was also required to negotiate with the Lake Basin Development Authority. He was also supposed to negotiate with the Ministry of Finance, Office of the President, Ministry of Regional Development Authorities and Ministry of Water and Irrigation, because he will also use water. The same person is also supposed to go to the Ministry of

Environment and Natural Resources to get the environmental impact assessment approval. Once you start going round, you will find a roadblock at every stage. Those roadblocks are put before you by people who want something small because they think that, as an investor, you have something at stake to offer.

Mr. Deputy Speaker, Sir, when we say that we want investments, we should put in place practical ways of helping people who want to invest. You should be aware that if you are facilitate and get one investor from America, that is not one-stop investment. He is going to be your ambassador in America for other Americans to come. If you stop one, you might think that you are only dealing with one small investor. But you are dealing with a whole range of investors from other countries.

Therefore, I urge this House to accept this Bill. But, as a nation, we should adopt rules which will make it possible for Kenyans to participate. Investors are not only foreigners. Sometimes, when we think about investments, we only think of America, Japan or Britain. We also have local investors who are willing to invest. They also need this Bill to be enacted, so that they can be facilitated. The local investors are also frustrated. We also need to consider the participation of Kenyans in foreign investments and joint ventures.

Mr. Deputy Speaker, Sir, in other countries, you cannot just match in because you have some money and start investing, without involving the local people. There must be a percentage which must go to Kenyan investors. Those Kenyan investors should be facilitated locally to generate funds to participate in foreign investments. That is the only way we can develop a core of Kenyan investors. That is the only way we can encourage our people to get into the industry and service sector.

Mr. Deputy Speaker, Sir, I am very disappointed because I do not see many Members here and yet, this is a very important Bill for this country. I really would have liked to see more Members participating vibrantly and contributing effectively to this Bill, which is going to help this country to move ahead.

With those few remarks, I beg to support.

Mr. Deputy Speaker: Mr. Githae! Sorry! I beg your pardon! Mr. Odoyo, do you want to respond or you want to contribute? If you want to contribute, you have the Floor!

The Assistant Minister for Regional Development Authorities (Mr. Odoyo): Mr. Deputy Speaker, Sir, I want to contribute.

Mr. Deputy Speaker: You have the Floor!

The Assistant Minister for Regional Development Authorities (Mr. Odoyo): Mr. Deputy Speaker, Sir, may I add my voice to all the good words that have been said by fellow Members of Parliament. Investment has two key objectives. One, is to raise the wealth of the country and, secondly, to provide productive activity in form of employment. Frequently, we tend to assume that investments can only come from overseas. As Dr. Oburu has indicated, we have local investors. Today, local investors include *Jua Kali* artisans, who invest their money and employ two or three people at a time. It may seem little, but it is an investment. We need to support them. Many times, we assume that investments only come from overseas. Time has come to scrutinise the agreements and concessions that we give to foreign investors. Many times, we get investments with too many strings attached. Sometimes, we even get free donations in form of grants. But, at the end of the day, we find that the follow-on costs to this country far exceeds the initial investment. That may be in form of management contracts and tax concessions. Time has come to evaluate the investments that come into this country.

Mr. Temporary Deputy Speaker, Sir, many Kenyans have pointed out that we cannot invest by depending on foreign investors alone. We must cultivate the culture of local investors; local

Kenyans who are willing to put their money into this country. I may not be off-record if I point out that some former Members of this House siphoned billions of dollars and stashed them in foreign accounts. Some of that money was taken from public coffers. It is unfortunate that many of those people have refused to bring back the ill-gotten wealth and re-invest it in our economy. We appeal to all Kenyans to be proud of Kenya. We must put Kenya number one before we start promoting foreign banks and industries. If you take US\$100 million, which I am told some former Members of this august House in the former regime siphoned and stashed in banks in London--- If you keep US\$100 million in banks in London or New York, who are you benefiting? You are not benefiting Kenyan investors. You are benefiting the United Kingdom (UK) and United States of America (USA) industries and not our own people. The time has come for us to acknowledge that investments can be done at our own level. I keep on repeating the example of the *Jua Kali* sector. We may assume that it is not formal. But many formal sectors started from an informal way. Even Bill Gates started a huge economic and commercial empire from his own garage. He started Microsoft and is raking in colossal amounts of money from the whole world. Therefore, we must have a policy to nurture our local informal sector. They will become the formal sector of tomorrow and the years after.

Recently, I had the opportunity to travel to Turkey to attend a very important seminar on micro-enterprises, that was hosted by the European Union. At that particular conference, I tumbled upon a small-scale tax. Every enterprise must pay a small-scale tax that is utilised to support the micro-enterprises of this world. Our people in the rural areas need support. A Micro-Finance Bill, that is supposed to support local investments, is not in place. Perhaps, with the advantage of the Minister for Finance being here, that is the Bill which should have been brought to this House, even before the Investment Promotion Bill. That is because, in addition to looking for investments from overseas, we must encourage the *wananchi* to invest.

Mr. Deputy Speaker, Sir, my other point is infrastructure. That has to do with roads, water, electricity and telephone. As a student of economics, I was told that electricity is one of the most important infrastructures that anyone can put in place, before having investments in the country. I say that in full recognition of the good efforts that are being done by the Minister for Energy to implement rural electrification, especially in the Lake Victoria region.

Mr. Deputy Speaker, Sir, people around Lake Victoria want to invest in fish. They toil in the lake from 5.00 a.m in the morning up to 6.00 p.m in the evening. When they go back with their fish, the Indian brokers wait until the fish is about to go bad and buy it at a throw-away price. Perhaps, this is an area that Kenyans, and even foreign investors, should invest in. The other problem that we have is that we do not have electricity around the lake to enable us to place in place refrigeration systems, so that the investments of *wananchi* do not get lost in terms of energy, time, resources and the risk they are taking in Lake Victoria as they ship fish from Kisumu all the way to Tanzania, Uganda and back.

The other problem that we have in Kenya is lack of guided investments. We have opened ourselves to all sorts of investments. Any investor just comes in. We have not guided them. What economic advantage do we have over other countries in the world? It is about time we channelled investments to the areas where we are leading, be it coffee, tea, fresh water fish or horticulture. These are the areas which should have guided investment. Finally, infrastructure must match that guided investment. Equally, it is known that in developing countries, we cannot develop unless we exploit our minerals. I am pleased that mineral exploration is going on at the Coast. There has been environmental problems here and there, but time has reached when all the minerals in this country must be exploited, be it oil or any other mineral that is available. We have gold, diamonds and asbestos. We must exploit minerals as the shortest route for us to develop.

Mr. Deputy Speaker, Sir, there was an instance where, in search of investments, we allowed investors to import radio-active material, which they went and buried in oil prospecting holes in North Eastern. This was a classic case where we allowed an investor to come in, and he cheated us that he was going to prospect for oil when in reality, he was digging deep holes in which he came and buried radio-active material.

I had the opportunity of going to North Eastern Province as part of the delegation of the Ministry of Regional Development Authorities, which was visiting the region, and I met the Assistant Minister for Labour and Human Resource Development, Mr. Khalif, who pointed out to us that their cattle are dying because a fake investor went there and dug holes and buried some radio-active material. Our cattle are dying and up to today, we do not have a solution or an answer as to what kind of radio active material kills our people and livestock. Time has come when investors must be monitored to find out whether they are making explosives. We should find out whether they belong to the *Al Qaeda* or are terrorists from the Western countries who are involved in the drug trade. This is a weakness that we have in our Kenyan system. We must monitor an investor once we have licensed him.

Mr. Deputy Speaker, Sir, the kind of investment that we do not like is what was happening at the Export Processing Zones (EPZs) before the NARC Government came into place. An investor was told that as long as he could invest at the EPZ, he did not have to follow the labour laws. He could underpay, fire and hire as he wished, discriminate against sex and molest sexually. Nobody was checking on this investor. The time has reached when any investor who comes into this country must be monitored, for us to make judgements and decisions as to whether we are getting the full advantage of that particular investment.

Mr. Deputy Speaker, Sir, finally, let me add my voice to the speakers who have talked about the good work that has been done by His Excellency the President during his visit to Japan. As you know, the Sondu Miriu Hydro-Electric Project has been given full marks. The Japanese Government has not only agreed to fund the current project, but will fund an additional power generation plant for 21 megawatts. This is full marks for His Excellency the President. It is also full marks to the Minister for Energy, who I am sure would have accompanied the President if he was able to return from London on time. I wish to confirm that our people in Sondu Miriu are looking forward to supporting the work of the Sondu Miriu Hydro-Electric Project to its final completion in 2007. I thank the Minister for Energy, Mr. Nyachae, who has agreed to visit us in the near future to ensure that all is well. At this particular time, I want to appeal to the Government to promote local investments in Nyakach. There is need for rural electrification, particularly in places like Katitu, Pap Onditi and Harambee. In addition, the place where the power generation plant is going to be constructed does not have electricity. In order to increase the goodwill of the people of Nyakach on the good work that has been done by the President and the Minister, I humbly appeal to the Minister for Energy to make rural electrification in Nyakach a priority. This will increase the goodwill of the people towards the project, so that the Japanese Government will not stall the project because of lack of goodwill from the local people.

The issue of investments is the way for us to develop. Unemployment continues to be the problem number one and unless we create industries that can absorb our young people, their energy will not be awakened. We cannot develop unless we get our young people, who are strong and capable, working. Unfortunately, our education system has encouraged a system where our young people do not consider agricultural work to be a full-time employment. The time has come when we should create industries.

In the late 1970s and the early 1980s, I was an economist working for the Government of Kenya. I had the opportunity to work in the Ministry of Commerce and Industry. Later on, I was in

charge of Kitui, where I did some good work. At that particular time, there was something called import substitution. This was the investment of that particular time. It later came out that import substitution was a very expensive way of encouraging industrialisation because the cost of setting up the industry versus the cost of importing was too expensive. It was much cheaper to import. Later on, many of these industries closed down.

This brings to the fore the issue of reducing the cost of investments. The cost of investments has spiralled because of high incidents of corruption. Corruption has increased the cost of doing business, not only in Kenya, but in Africa as a whole. It means that people who have paid money for corruption, continue to exploit us to recover the money that they paid out as bribes. Therefore, the unit price of producing by many entrepreneurs locally continue to be much higher than the world prices. Why do we find ourselves in this situation? One must ask himself why the price of Firestone tyres is that high? Why is the price of Kimbo that high? Why is the price of sugar in Kenya higher than in the world market? It is time we strongly evaluated the cost of doing business in Kenya and especially in East Africa.

Looking at Kenya as a whole, I find viable projects in the infrastructure. We are the gateway to East Africa. We, as Kenya Government, must start thinking in imperialist ways. We, as a country, must think of ways exploiting the opportunities available in our neighbouring countries. We must also think, as an economy, that we have certain advantages. We must approach countries like Rwanda, Somalia, Ethiopia and Sudan with a full knowledge that there are some things that we can exploit for the good of our people. This is the way the Western countries developed. That route is not new and, therefore, we will not be inventing a new route. But what we call economic national imperialism is not in the minds of some of our Ministers who are managing the respective Ministries. We must, for example, ask ourselves: Why is it that at this particular time when Somalia is going to create many investment opportunities, we are not getting Kenyan multinationals that can go out there and invest?

I am an investor in outdoor advertising and media. I run companies in Uganda, Rwanda, Burundi, Tanzania, Ethiopia and Eritrea. This is the way to encourage Kenyan companies. Not only should we be accepting investments here, but we too must go out to exploit investment opportunities, so that we bring back the economic benefit that we can get and save it in our banks. The banks can then have money to lend to small-scale industries to invest in this country.

I am very happy to see Mr. Khamasi walk in because, on frequent occasions, we have discussed with him the issue of investment in the gold that is found in Western Province. We still have gold in Western Province and parts of South Nyanza. When the Western countries realised that Independence was coming, they closed those particular gold mines and cheated us. Mr. Khamasi knows how they cheated people in Western Province that gold was no longer available, whereas, we still have it in the Province and parts of South Nyanza.

For quite sometime, we used to have viable investment in sisal trade in Rongai and Nakuru. It is true that the sisal business is going down and it is being replaced by synthetic fibres. But time has arrived when we must realise that there is still a market out there for natural fibre; be it be in the form of pyrethrum or sisal. Many of the sisal cutters came from my region and I support all the initiatives being done by the Member of Parliament for Nakuru Town Constituency to ensure that their pay is increased.

Mr. Deputy Speaker, Sir, the question of wages continues to be an issue in investment. Many of these multinational companies continue to exploit our people by paying them peanut wages. A time has arrived when we must ask ourselves: Is it proper to promote ourselves as a low-cost and low-wage centre? Is that a real comparative advantage? Why is it that we have many countries that develop without necessarily promoting themselves as low-wage destinations? A low-

wage destination may not be the best way to promote ourselves. Perhaps, time has arrived when we put more emphasis on skills and capacity to perform tasks rather than promoting ourselves as a low-wage destination. All the Western countries did not develop because they were paying low wages. Low wages is a fallacy of attracting investment. It is not the only way in which we can attract investment. Perhaps, it is time we continued promoting some of the positive aspects that we have.

In the strategic analysis of the investment capacity and opportunities that are available in Kenya, one must look at the strengths. One of the strengths we have is a highly-educated workforce. These are the areas we must move into by promoting a capacity to integrate and perform complicated skills that our neighbouring countries cannot do. This is the way to look at it in the future.

Mr. Deputy Speaker, Sir, as we all know very well, for sometime there was a bad incidence where investment in the tourism sector was badly hurt. It was hurt so badly that it took us five years to recover. Perhaps, while investing in the tourism industry, we must appreciate the vulnerability of the industry to petty and small risks that may arise in the world today, where terrorism has become a nightmare for all countries. Perhaps, as we encourage investment in the tourism sector, we must encourage investment in what we call, the physical productive centre, which provides long-term employment. The fickleness of the tourism industry is such that it is going to the short-term. We must diversify tourism. For us to have a viable tourism industry, we must have concrete and solid support. We must have not less than five million visitors per year. If we reach the point of having five million visitors per year, then it means even if there a shock in the sector it will come down to four million or 4.5 million and we will not suffer.

Presently, we are targeting one million visitors per year in Kenya. If there is an *Al Qaeda* threat, the target goes down to 400,000 visitors per year. That is a 60 per cent reduction. It is totally unacceptable and it leads to many highs and lows that affect all the *wananchi*, especially in the Coast, Western and Rift Valley provinces.

Mr. Deputy Speaker, Sir, I gather the Assistant Minister for Justice and Constitutional Affairs has just indicated here, "*tosha!*" I wish to reiterate that the politics of "*tosha*" continues to be a positive aspect; that this economy is being managed in a very positive way. Let the *tosha* continue!

Finally, in order to enable my other colleagues to say a few words, I do pay full respect to the Minister for Environment and Natural Resources for the party he hosted in honour of Ambassador Wangari Maathai.

Mr. Deputy Speaker, Sir, with those few remarks, I beg to support.

(Laughter)

[Mr. Deputy Speaker left the Chair]

*[The Temporary Deputy Speaker
(Mr. Khamasi) took the Chair]*

The Assistant Minister for Foreign Affairs (Mr. Wetangula): Thank your, Mr. Temporary Deputy Speaker, Sir. This Bill is very critical to the economic revival of this country. When we talk of promoting investment, there are many issues that we need to address. One of the key components of this Bill is to set up the Investment Promotion Board that will be able, as an hon. Member, said to be a one-stop shop for all the factors relating to investment. This, of course, addresses the critical issue of red tape. We have come a long way; from times when investment in this country involved

influential local people demanding shareholding in the companies of those who come to invest through corruption. At one time, even as there was no law providing for this, you constantly heard that no foreigner could own 100 per cent of the shares of a company. That is part of the subtle corrupt practices that frustrated investment. Now that we are on the war-path against corrupt practices, these are some of the things we need to address; that, to come to invest in Kenya, there are no hidden costs of investment. There are no envelopes and shares under the table. Those who want to invest will come and be protected by the law.

But when we are addressing factors that determine the attraction to investment, we have to look at a myriad of issues that are scaring away investors from our country. One positive aspect for Kenya is that we have an abundance of skilled manpower. We have many trained Kenyans in the fields of Engineering, Human Resource Management, Information Technology (IT) and many other fields. That is an automatic attraction. Yet, we have factors that still underpins the lack of incentives for investors to come to this country, even after passing this Bill. Number one, this Bill is not going to solve the problem of the cost of energy. Anybody who comes to invest here, will want to find that energy is readily available and affordable. I think we need a deliberate and conscious Government investment, together with the private sector, into the generation of sufficient electricity. That will enable us have cheap electricity in the country and attract investments. Compared with other countries; for example, Zambia and South Africa, the cost of energy in Kenya is about 60 to 70 per cent higher. Therefore, anybody who looks at energy as a cost of investment will shy away from coming to Kenya.

Mr. Temporary Deputy Speaker, Sir, another issue is that, even after passing this Bill, if attention is not paid to infrastructure, it will still scare away those who would like to come and invest here. Bad roads, poor telecommunications and many other things to do with infrastructure will still send away investors. Inadequate clean water is an issue that an investor will think about.

Mr. Temporary Deputy Speaker, Sir, one wonders what is going on with the roads in this country. We understand that it is as a result of procurement procedures being too complicated, long, complex, cumbersome and inhibitive to the rehabilitation of roads. I have said here many times before that, if the procedure of procurement has become a nuisance to the rehabilitation of the infrastructure of this country, let the Minister responsible bring a Bill to this House to enable a simplified procurement process, so that we can get things done. When you look around the country, and we are two years down the line since the last elections, there is hardly any new roads we can point at. There is hardly a road you can point out that we have repaired, re-sealed, re-carpeted or whatever you call it. I repeat, if it is procurement that is a nuisance, we have to deal with it. This House has the capacity to pass laws that simplify the process of procurement to make things happen.

Mr. Temporary Deputy Speaker, Sir, nobody will come and invest here, if the cost of driving on Kenyan roads is 200 per cent higher than the cost of driving in Ugandan, Tanzanian or anywhere else. That is something we must do. Equally, we have the problems of rural electrification. Nairobi City is so congested that now we must be consciously and deliberately sending away investments from Nairobi to towns like Nakuru, Mwingi, Bungoma, Shinyalu and other small towns. But how do you get there if electricity is not available in sufficient kilovolts to sustain an industry?

Mr. Temporary Deputy Speaker, Sir, we have to decide whether infrastructure should come first or the investments. But, as you know, infrastructure must come first. We need to encourage those who come to invest to go and invest; in smaller towns. You will invariably find out that the cost of labour in those small towns is cheaper, the cost of land on which to build industries is cheaper and the general overall cost of running business in those areas will be cheaper.

Mr. Temporary Deputy Speaker, Sir, as we talk about promoting investments, there is

always this misnomer and misplaced belief in this country that an investment must be by a foreigner or an Indian, devoid of the locals. There is a common saying that, if you cannot love your brother, how do you pretend to love your cousin? We have many Kenyans who have the capacity, ability and willingness to invest. They are willing to go and invest anywhere in this country. However, there is hardly any encouragement. I have yet, and you can bear witness to this, to see any local authority, whether it is a municipality or a county council, putting up an advertisement in the papers that:-

"We, the County Council of Kakamega, have set aside an industrial park. Anybody who wants to come and invest, land is available. We will give a long-term lease with a break on payment of rates or rents."

That way, people can go and invest there. Nobody thinks about that and yet, that is a critical component of investment incentives.

Mr. Temporary Deputy Speaker, Sir, I am sure that, if a load of Indians arrive here, every county council would be dying to give them free land to invest in. But we must start with our own people. We have people who have the capacity and ability to invest and start industries, however small they are. They can invest in a local bakery, brick-making plant, milk cooling plant or any other cottage industry. All those have a cumulative total of getting the economy to grow. We must start by encouraging our own people to go and invest all over the country, so that we can be able, in the process of developing and spreading development, to break the vicious cycle of inequality among our people, spread employment to rural areas, improve the income and lifestyles of our people.

Mr. Temporary Deputy Speaker, Sir, we have talked a lot about Export Processing Zones (EPZs). I have been told - I do not know whether it is true - that the conditions under which some of our people work at EPZs are not quite palatable. I think it is the duty of the Ministry of Labour and Human Resource Development to come up with sufficient regulations to ensure that, in the thirst for attracting foreign investments, the comfort, expectations and right of our people to earn decent incomes and improve their lives, are not compromised. Those regulations must ensure that no slave wages or "starvation wages" as we used to call them, are paid to our people who work day and night to make sure that those industries run.

Mr. Temporary Deputy Speaker, Sir, if you have been following newspaper reports, you will see that some of our own entrepreneurs are either relocating or moving large chunks of their investment stakes to our neighbouring countries. You are aware of the Bidco investment in Uganda worth over US\$1 billion. You are aware of investments by Kenyans in Tanzania, Rwanda and wherever. There is no problem with that because we uphold the doctrine of free movement of capital and labour. But when Kenyans move from Kenya and invest in Uganda or Tanzania and create jobs there, while we are in dire need of similar job creation, then, as a Government, we need to look at our structures and detect what is making our people invest in neighbouring countries. Why is it more attractive for Bidco Oil Company to go and put up an edible oil plant in Uganda and not in my constituency, Sirisia, which is only a few kilometres away from Uganda? This has something to do with the investment climate in Kenya and that is what this Bill is seeking to address. However, as I said before, setting up a board and employing people who will call themselves "investor-friendly people" to sit in an office to help investors while the same investors have difficulties driving on the road from Mombasa to Nairobi, does not attract investment. One of the ways and means of attracting investments and generating wealth in this country, is the need to privatise the Port of Mombasa, thereby, making it a free port. If you go to Dubai you will understand the concept of a free port and what impact it has had on the economy of that country.

If we had a free port, people who have invested in the hotel industry would have an

enormous turn-around of their businesses. It is projected that with a free Port of Mombasa, the town will be able to serve a hinterland of 300 million people. With that number of people, even if you said that only 20 million people within the region visit the Port of Mombasa in a year to do business, that will automatically give a boon to the hotel industry and the Government in as far as documentation is concerned. People are not paying taxes to trade in Mombasa because the normal documentation, for example, when one is buying a car or refrigerator, has to go on. That documentation is an income to the country because it costs money. I think, for the sake of attracting investors and generating wealth in this country, we need to free the Port of Mombasa from the clutches of Government management so that anybody and everybody is allowed to come and trade.

Mr. Temporary Deputy Speaker, Sir, if a country, like France, has a turnround of 70 million visitors per annum as tourists without wildlife or anything worth mentioning, what about Kenya? If we had a free Port of Mombasa coupled with our attractive parks and our friendly people, I am sure we can attract a lot more people to come to our country and hon. Members like my learned friend Mr. Muturi might quit politics to go and run hotels in Mombasa and generate money, thereby turning round the economy of this country.

Mr. Temporary Deputy Speaker, Sir, nobody will invest in a country where their personal security and that of their employees is not guaranteed. I know that the NARC Government is doing a lot to battle crime. The level of carjackings, violent robberies and gun-crimes have gone down. However, they have not gone down sufficiently for us to be absolutely satisfied that crime is tolerable. The level of violent crime in this country is still intolerable and it is a factor that can very well; in fact, it does discourage investors from coming to our country. This is a matter not addressed by the Bill and yet you cannot ignore it if you intend to promote investment in the country.

Mr. Temporary Deputy Speaker, Sir, in conclusion, I want, in summary, to address the issue of loosening the red tape. The Bill addresses that issue. We need to also address the issue of affordable energy, improved security, improved infrastructure, availability of water and eradication of corruption so that we can get rid of what is normally politely called in business "the hidden costs of doing business." Once we address these issues, Kenya will remain one of the most promising economies in this region, one of the most attractive and likeable countries in this region, a leader in the provision of skilled manpower in this region and it remains on the threshold of take-off to the industrial age. Much sooner than later, we will be proud to walk around and say that we are the new Malaysia, Taiwan, Singapore and a Kenya we can take wherever we want.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I support the Bill.

The Minister for Environment and Natural Resources (Mr. Musyoka): Mr. Temporary Deputy Speaker, Sir, after listening to that elaboration by my learned colleague, hon. Moses Wetangula, I was tempted to desist from asking for the Floor. However, I want to reiterate one or two points and at the same time attempt to be brief.

First of all, I wonder if hon. Members realise that some time next week, some Government Ministers, notably, hon. Peter Anyang'-Nyong'o and hon. Mukhisa Kituyi will be in London trying to interest investors to come to this country. They will be participating in a very important investment conference in London. I thought that it is important for this august House to make it possible and easy for these colleagues to find hospitality from possible investors in London by enacting the Investment Promotion Bill. How I wish we were ready with the Privatisation Bill also, but it is understandable that there are issues in that legislation that need a close look. I know that when it comes up again before this House, we shall be able to pass it.

Mr. Temporary Deputy Speaker, Sir, this country is very strategically placed for an industrial take-off. It appears, however, that we have been able to abort this possible take-off. At times, I think that we are our own worst enemies. For instance, the Common Market for Eastern and

Southern Africa (COMESA) market has about 300 million people. Kenya is a crucial country within the COMESA market. When I was in the Ministry of Foreign Affairs, I kept on insisting upon visitors and would-be investors that they should take advantage of the strategic location of Kenya so that they can come and invest within our export processing zones for the sole purpose of exporting within the COMESA market on condition of attractive terms. Herein, lies the problem and hence the need to enact the Investment Promotion Bill afresh. I know we have other legislations such as the one that protects private investment, that is, the Foreign Investment Protection Act. However, the framework is not sufficient.

Uganda already has in place the Uganda Investment Authority. I was looking at some media coverage and I realised that the Chief Executive Officer of Uganda Investment Authority is actually serving in the Tony Blair Commission for Africa. We are yet to come up with the Kenya Investment Authority. It appears to me that Kenya is trailing its neighbours. I am also informed that Tanzania's Gross Domestic Product (GDP) is effectively overtaking our country's this year. So, we have a lot of work to do here. It is to be appreciated that countries of the world are in competition and that investors will go to those countries where conditions are right, for example, where the level of red tape is at its minimum or non-existent. I know that many of our colleagues who have contributed to this Bill addressed the matter of red tape. However, it emerges that we are very good at talking and doing absolutely nothing thereafter. It is about time we realised that unless we position ourselves as a country, we shall be overtaken by other countries in this region.

First by our neighbours and even with others within the IGAD region and we will have only ourselves to blame. Therefore, the task of enacting the necessary legislation is both important and absolutely urgent. In fact, it is correct to say that time is extremely of the essence.

I notice under the Bill that there will also be the Kenya Investment Council. One would want to imagine that there will be heavy private sector involvement because without it, we will have the usual civil service mentality. Having been in KANU before and now in NARC, I realise that the problem we are faced with is "business as usual". Somebody tells me that NARC stands for "nothing really changed". I would like to think a lot has actually changed. We are here to make sure that these things actually happen. Therefore, I call upon our civil servants to realise that everybody should be able to have an attitude change. Unless we position this country, poverty levels that we have been talking about will not go down. I want to congratulate my colleague, Minister Peter Anyang'-Nyong'o for the able manner he gave us the stark reality of the poverty levels bedeviling this country. We need to do something to make a change. Time has come that we stopped being a talking shop and made a change.

Mr. Temporary Deputy Speaker, Sir, I envision a situation where we can actually declare, even overnight, the entire Mombasa Island a free port and just watch what would happen within the next six months. Everybody will want to rush to that part of the country. I have no doubt that we will create in our region another Dubai. If we do not do that, others will do the same. I remember one time accompanying former President Moi on a visit to Singapore. We toured Singapore Airport and recommendations were made. At that time, the former President was very keen about establishing a free port in Mombasa. It was our own civil servants that made it impossible for this country to take off in that area.

Therefore, one wonders whether we are always reading from the same script with our civil servants. I would like to imagine that this time round, it will be different. What needs to happen is for us to make some bold decisions about establishment of a free port in this country. I know we cannot live to regret such a decision. If anything, it will be a miracle not just in this region, but the entire African continent. We do have a miracle in our own Ministry through Prof. Maathai. We can create more miracles like this, but not the miracle babies. We want to run away from those ones.

(Laughter)

The other thing we seriously need to address is that one of the clogging considerations has always been the provisions of the Official Secrets Act where civil servants feel that if they were able to be whistle blowers--- This came out very strongly during the recent workshop addressed by two Prime Ministers and our President on the need to continue the fight against corruption. Senior civil servants always want to lord it over the juniors and everybody is given a copy of the Official Secrets Act. I think we need to bring this Act to Parliament for amendment if we are serious about the fight against corruption. If we do not do that, you will find junior officers blowing the whistle at their own risk.

In matters to do with defence and national security, there is need to maintain an aspect of secrecy. Generally, why is it necessary to get everybody to sign the Official Secrets Act? I strongly feel that we need to amend this legislation in order to make it attractive for people who want to point out incidents of corruption within the system. If we are to beat the deadlines in terms of the Millennium Development Goals 2015 in poverty eradication, social welfare and growth of the economy, we have to relax ourselves.

Within my own Ministry, we are trying to look at the Mining Act afresh. I heard Mr. Odoyo speak emotionally about the possibility of gold deposits in his constituency. We need to look at the Mining Act which was first enacted in 1947 or thereabouts. It is a very old legislation. We need to make it possible for people who want to invest in this area to find it possible to do so. We have the example of titanium mining in Mombasa and I am told that Prof. Anyang'-Nyong'o, Dr. Kituyi and, perhaps, Mr. Tuju might want to quote the example of Tiomin mining. We have some issues which are still unresolved. This is the example of red tape. When we talk of one-stop shop, we have to demonstrate that.

This afternoon, I spoke to my colleague, Minister Mwiraria, and asked our PS to resolve speedily the one or two issues that are outstanding in order for titanium mining to get on with the business of creating jobs and wealth for this country, and mainly for the residents of Coast Province. We have also been sensitive to the issues of environmental protection. Therefore, the need to have impact assessment reports on the major industries is important. I have also pointed out to the National Environmental Management Authority (NEMA) the need for the authority not be misused because the others in business will want to beat their competitors by using NEMA. Therefore, NEMA will have to stand shoulder high above the considerations of the others. These reports have to be done expeditiously in time, and professionally. NEMA will also make progress in terms of raising revenue.

I must thank this House because in 1999 the EMKA Act was enacted and NEMA is today a reality. NEMA has to make itself felt in this country. Not many Kenyans appreciate the relevance of NEMA as yet. This is a challenge that we are dealing with in the Ministry. There is tremendous opportunity for investment within the environment sector. The world today is thinking and breathing environment. In a few days from now, we will be launching the National Tree Planting Exercise. During this time, we will celebrate the achievement by Prof. Maathai. We want to do this not once every year, but twice or even more every year.

We are also thinking of the establishment of a National Tree Planting Authority that will ensure that we recover what we have already lost over the years. If we consider that at the moment, tree cover is at a minimum of 1.3 per cent of what one would expect, which is a minimum of 10 per cent, then we realise that we have work to do. We envision in the Ministry that we need to plant a minimum of 30 million trees a year over the next ten years in order to make progress, and this we

are determined to do.

There is also a great opportunity for local investment. I wonder how many Members of Parliament are prepared to partner with us in the Ministry and plant at least one or two acres of trees in their own shambas. We are, therefore, talking about tree farming. Tree farming has been proven to be more remunerated than even coffee and tea planting. This is a challenge I want to give to my colleagues and you cannot regret it. In as much as we are talking about foreign direct investment, let us also promote local investment.

Mr. Temporary Deputy Speaker, Sir, on a very sad note, I have gathered some information that our investors in this economy have been translocating to Dubai and other countries in Africa because of the high cost of power, poor infrastructure and economic decline over many years. The previous speakers have referred to these factors. I think we have to be bold enough. Mr.

Temporary Deputy Speaker, Sir, I am happy my colleague, the Minister for Finance, is here. I wonder whether he is aware that some of the tax-collectors, under the cover of collecting Value Added Tax (VAT) and other taxes, actually go out there and harass local investors to the extent that some of them just say it is pointless to invest in this country. We appreciate the need to maximise on tax or revenue collection, but I think it is also important to do it professionally, so that we do not end up throwing out of this country the few people who have chosen to invest in this economy. BIDCO has been given as an example. This company is developing a huge palm oil industry in the Sese Islands in Lake Victoria. Cross-border investment is good because, as we develop the East African Community together, we will not end up with a situation where one of the partners will complain that there is greater industrial development in Kenya than, for example, in Uganda. I remember when the Minister for Finance, Mr. Mwiraria, and I were leading discussions on the Customs Union in Arusha, we had to come up with the principle of a symmetry in order to allow goods from Tanzania and Uganda to flow into this country. However, we specifically insisted on cross-border investment. Therefore, we have to realise, as I said earlier on, that we are our own worst enemies. If, indeed, we need to attract investors to this country, let us be precise.

I want to congratulate the Minister for Energy, whom I have seen around, and I know that he is very determined to do something about the escalation in the price of petroleum products. Oil prices have gone up in the international market, but the fact that this is now affecting even our transport sector, and majority of our people are now unable to move between Nairobi and Mombasa--- I saw that the fare charged between Nairobi and Western Province has gone up by about Kshs200. The same case applies to the fares charged between Nairobi and Mombasa. Even travelling by bus from Nairobi to Mwingi Constituency, which I represent, a journey which takes two hours, has also become expensive. This will widen the poverty gap that the Government has been trying to bridge. I know that Mr. Nyachae is, indeed, equal to this task. Let us hope that the situation will be brought under control soon.

However, one cannot overemphasise the need to enhance security. Whenever an ugly incident occurs, for example, a tourist being mugged, and that can happen in the streets of Manhattan or New York, our country gets adverse publicity. However, I am talking about serious crimes. It is the business of the Government to ensure that they are curbed. I want to congratulate the Commissioner of Police because he is really trying. However, a lot more needs to be done in order to send out the right signals that hon. Members, their families and Kenyans, in general, can visit Mama Ngina Street at night and enjoy night life in Nairobi. What has happened over the years is that the City Centre is actually dead at night save, of course, for Koinange Street.

(Laughter)

This trend has to be reversed. I know that the Minister of State, Office of the President, in charge of Internal Security and Provincial Administration, Dr. Murungaru, and his security team are trying the much they can to control insecurity, but a lot more needs to be done.

There was talk of installing security cameras so that anybody who commits a violent crime in the City Centre can be arrested immediately. I wonder what happened because this is almost the end of the second year since NARC took over the Government from KANU. As I have said, we should invest our money and energy where our mouth is. We have been talking about these cameras for a very long time. These cameras should be installed in the City Centre so that we can enhance security in our Capital City. We can actually make a difference which Kenyans long for, if we do this. I know that many things will begin to happen in the third year of the NARC administration. However, we also need to support the efforts being made by the President.

I know that this particular time, as our President tours the friendly people of Japan, he will appreciate that he is actually our best salesman at the moment. The fact that Sondu-Miriu Hydro Power Project, for instance, is a major investment, is a matter which should make all of us proud. My only fear, as the Minister for Environment and Natural Resources, is that unless we check the degradation of the Mau Forest, we might end up with Sondu-Miriu Hydro Power Project being just a white elephant.

(Applause)

So, we are looking into this matter with all the seriousness it deserves. As we congratulate the President on this very successful tour of Japan, it is also important for us to realise that market--- There was a time people thought of hiring a Jumbo 747-400 Series to bring in Japanese investors. We have to go beyond the usual Overseas Development Agency (ODA) support which we get from Japan and make conditions attractive to the Japanese business people. In fact, we should talk about backward integration. We import so many Japanese cars into this country. I have seen many hon. Members drive these wonderful Japanese cars. We should really get prominent Japanese investors investing in this economy. I hope that the President will be successful as he holds talks with the Japanese business people.

Certainly, the Japanese have been very supportive to our economy. I remember when I was there to prepare for President Kibaki's visit, I had occasion to address some of these issues, including the release of counterpart funds, which went to the Agricultural Finance Corporation (AFC) for on-lending to our farmers. I hope that the Minister for Agriculture has put that money into good use through the AFC.

Mr. Temporary Deputy Speaker, Sir, one can talk endlessly. I said that I wanted to be brief because the issues which have been covered by the previous speakers are very clear. We have to make a difference in this region. I have said that this country is very strategically placed to be the market leader in terms of investment. In environmental conservation, we are making a difference. However, if we consider that there is so much to be done, then one has to agree that time is extremely of essence.

Therefore, I urge this House to pass this Bill expeditiously in order for this country to market itself effectively at the international level and, of course, locally, in order to protect what we have. We should address some of these issues.

Thank you.

Mr. Kimeto: Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me this chance to contribute to this Bill.

Mr. Temporary Deputy Speaker, Sir, the Investment Promotion Bill has come at the right

time. Unfortunately, we have to discuss how we can make it effective. I heard the Mover say that we have to call upon investors from other countries to invest in this country. Investment in this country could be promoted by practical education. I would have liked it if the Mover of this Bill would have urged the Ministry of Education, Science and Technology to promote practical education. This is because we have many educated people in this country who have nothing to do.

We should use our human resource to produce some products. How can we import everything, from vehicles to pencils? Why can we not manufacture those things here? For instance, does the manufacture of a pencil need so much technical know-how? If so, why not import the expatriates to come and make it here? Why do we import simple things, like the microphone I am using now? Why do we not have a factory to manufacture this simple device? You cannot import and at the same time invest; it does not work that way.

Mr. Temporary Deputy Speaker, Sir, Israel has a population of 6 million and there are 18 million vehicles. Every family is allowed to have a maximum of three cars. But in Kenya, we have very many cars owned by very few people, because of this importation. I think we should pass a law restricting importation of Japanese cars and instead encourage them to build motor vehicle assembly plants here. They can be induced with tax subsidies and a bigger percentage of ownership while the Government is also a shareholder. That way, our people will be the factory workers and they will get the technical skills of manufacturing vehicles. If we do that, we will industrialise faster. But if we make Mombasa a free port for ready-made goods, then how are we going to know how to make those things, yet we have a lot of human resources here?

Mr. Temporary Deputy Speaker, Sir, I advise this Government to ask our own local technicians and lecturers to study all the things we import and build factories for the same so that we do not need to import. If they are not able to do it, then we ask the foreign technicians to set up their factories here.

I think our Government is not ready to completely solve the problems of this country. We even import maize which we can just grow! We even import maize seed which we can study here! Where are the educated Ministers? Why are we importing maize seed from South Africa, instead of making our own here? We have good climatic conditions. Let us be serious! Are we waiting for hon. Kimeto to become the President of this country so as to implement all these things?

We should start by simple things; for instance, by investing in maize, which is well known to Kenyans. We should prepare the maize seed here and make our country self-sufficient in terms of food. A country which is always begging will not industrialise, because instead of investing, they are spending most of their time begging for food from other countries. Let Kenya be self-sufficient in terms of food so that we can concentrate on other technologies. We cannot allow this country to continue being a beggar. We are crying of drought when we are allowing water to flow to Egypt. Why can we not dam the rivers that feed River Nile? Why do we allow our people to spend most of their time in hospitals because of drinking bad water? We should have a healthy nation.

Look at Nairobi! How can we attract investors from other countries with the kind of insecurity we have? The Office of the President should do something about the general insecurity in the country. These are the things the Government should address. We import cars, aeroplanes--- We cannot make a single component of an aeroplane! We should have engineers to study these things to help this country. We should not allow importation of everything. We need the knowledge to make these things. We have the human resources. We should specialise.

Sometime back, a Kenyan of Kikuyu origin tried to make a home-made gun. Then, the former Government went ahead and arrested that person, instead of requesting him to shed light on the technology, yet we import a lot of guns! We should have used that person to show us how to make guns. People should be encouraged.

Mr. Temporary Deputy Speaker, Sir, we need to be prepared for anything. We should lend money to maize-growing areas in the country so that they can produce enough maize. We are just waiting to import maize from abroad. Our people are busy destroying forests. They have not been educated enough on how to use the forests. They should be told why they are not allowed to destroy forests. The Minister for Environment and Natural Resources should lead a tree planting campaign in North Eastern Province to stop the encroaching desertification. I would like to urge Kenyans to plant more trees. Our people need to be educated on various issues. This country, for example, requires people trained in technical areas.

Mr. Temporary Deputy Speaker, Sir, we had many factories that were handling production of various products in this country. Unfortunately, many of them closed down. I am glad that the Government is now reviving some of those factories; for example, the Kenya Meat Commission (KMC). It is a pity that many factories collapsed, for example, Kicomi Textile Factory, we started importing *mitumba* clothes and other finished products from other countries. I am sure that these factories would have assisted many Kenyans get job opportunities and earn revenue for this country. I believe that if these factories were managed properly, many of our people would have benefitted from them. I would like to see Kicomi Textile Factory re-open. The Government should prohibit importation of finished goods from entering local market.

Mr. Temporary Deputy Speaker, Sir, we need technical type of education in this country, right from primary school to university level. Students in our universities must be involved in research and development of various projects. For example, they would study aerodynamics technology so that Kenya can make its own aircraft. When I visited Australia, I learnt that many students in schools are taught how to assemble vehicles for the Australian market. When will Kenya be in a position to do that? This is also happening in Israel. It is a great challenge to the people of this country. I would like to see many of our students in schools, colleges and universities taught technical education. We should not emphasise more on theory. This country should focus on setting up schools that specifically offer technical courses.

If this Parliament keeps on focusing on the same kind of things instead of coming up with new areas of development, I am afraid some of us will die the same way we were born. I would like to see most of us leave this country a better place than we found it. Kenyans should be rich in everything, including ideas. In fact, we have been blessed with good climate. Unfortunately, we do not make good use of it. It is sad that nobody in this country is even able to manufacture a wheel of a bicycle. I would urge the citizens of this country to be very creative, so that we manufacture our own items. Let us be aggressive in investment promotion. Let us also stop importation of finished goods that come to compete with our local goods. We have all the resources to help us manufacture goods, assemble our own cars and bicycles, among other things. We have a lot of human resource lying idle. We can do all these because we have invested heavily in human resource.

Mr. Temporary Deputy Speaker, Sir, when inmates are remanded in numbers, a lot of human resource is wasted in our cells. We would use them to till Government farms and produce more food. *Ni aibu mahabusu wanakufa tu korokoroni*--

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Kimeto!

Mr. Kimeto: Mr. Temporary Deputy Speaker, Sir, I apologise for speaking in Kiswahili.

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Kimeto, you know the rules of the House!

Mr. Kimeto: Mr. Temporary Deputy Speaker, Sir, since I have said all I wanted to say, I beg to support the Bill.

The Assistant Minister for Environment and Natural Resources (Prof. Maathai): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this Bill. I

would like to say that this is a very important Bill and a lot of contributions have been made that are very important. I would like to expand a little bit on what our Minister for Environment and Natural Resources, Mr. Musyoka, said.

In promoting investment, it is important that we pay attention to our environment; that we ensure that the rules and regulations that are laid down, as the Minister said, especially by the National Environment Management Authority (NEMA), are of high international standards. The investors who come into this country should not be allowed to pollute our environment. They should be required to practise the same high standards of environmental protection that they do in their own countries. In this connection, one of the most frustrating experiences that we are having in this country is the production of plastic materials that are extremely thin and which are often used only once, and then they are thrown into the waste paper baskets, or they are dropped in the streets.

I was listening to Mr. Kimeto and I could see how frustrated he is and he was asking us: "Why can we not do it?" We must assume responsibility for keeping our environment the way we want it. To quote the Indian, Mahatma Gandhi, who said: "Be the change you want to see"; in other words, be what you would like to see. If we want a clean environment, it is for us to create a clean environment. I know for sure that if every Kenyan today decided that they will not take that thin plastic home, in which we package our vegetables, indeed, very soon we will have very low production of them because the investors who are producing them do so because there is a lot of demand from consumers who want to have vegetables, carrots, fish and chips packed in them. Once you have eaten your chips, you throw the plastic material into the streets. That plastic eventually finds its way into the drainage. When it rains, as it is doing right now, there is flooding because water cannot go through the drainage because plastic materials are full in those drains. Of course, the streets are flooded and when motorists come splashing that muddy water on to your clothes, you feel very bad about it. You condemn the society because you feel that dirty water has been splashed on you.

*[The Temporary Deputy Speaker
(Mr. Khamasi) left the Chair]*

*[The Temporary Deputy Speaker
(Mr. Moi) took the Chair]*

That water is being splashed because you have probably contributed to eating fish and chips that were packaged in plastics, taking plastics home and putting it into your waste paper basket, and now it comes back to hit you.

I would like to appeal to Kenyans that while we encourage investors to come and invest in our country, when they invest in such goods, it is for us to refuse them. It is also for NEMA to demand that for such non-biodegradable plastics companies should not be licensed to produce because we know that it pollutes our environment. I am using plastic as an example because we see it everywhere and people are frustrated by it, but at the same time, it continues to be produced because there is a demand for it. Our laws do not demand that companies do not produce that type of plastic. There are many countries in the world today which do not allow the production of that kind of plastic materials. Today, there are many countries in the world which produce plastic that is bio-degradable and can be used several times before getting rid of it.

I would like to revisit a subject that I have addressed many times in this House. This is the subject of the shamba system. Many people are concerned about the *shamba* system. We are looking forward to a day when hon. Members will visit forests and see for themselves the damage

the *shamba* system has caused to our forests. They will also see why we should stop using our forested mountains for growing of exotic species such as the pine and eucalyptus for timber industry. In growing exotic species, we destroy our biological diversity of flora and fauna. We completely lose it forever, and are left with a farm of a monoculture forest. To an uninformed person, it appears to be a forest. However, it is not a forest. It is a farm of trees which are intended to be harvested in the next 30 or so many years. The cycle is repeated and the result is that our mountains are turned into farms with open spaces. We are, therefore, not able to capture water when it rains because it runs off into streams, causing floods such as the ones we find in Budalangi and Nairobi. International and local investors who have a lot of land that they are not using should be encouraged to invest in tree farming. We would then start hearing of people who are proud of being owners of thousands of acres of tree farms. In these farms, investors could grow any kind of trees. They could grow the eucalyptus, cedar, indigenous trees or the most valuable type of trees. Once investors have done this, the timber industry will get the number of trees it needs. We will then have moved away from farming in our mountains. I know that this requires a policy change. I hope that, with the understanding of hon. Members, we will influence our Cabinet so as to allow us to shift from using our forested mountains to using areas on which we can grow trees for the timber industry.

Mr. Temporary Deputy Speaker, Sir, let me repeat that only one-third of our landmass is arable. That is where we live. The majority of our people are found on this one-third of our land mass. This is also where we grow our cash crops such as coffee, tea, sugar cane and pyrethrum. That is also where we grow our food crops. The rest of our country is arid, semi-arid and desert. I do not understand why most of our people are not shifting away from the arable part of our country, rehabilitating it and settling on the two-thirds part, which forms the arid and semi arid part of our country. We could reclaim the arid and semi-arid part by growing trees on it. By investing in this part of our country, not only will we be reclaiming our land, but also will be preventing the land from becoming a desert. This is something that needs a lot of encouragement of our people by the Government. This is where we require foreign investors to come and invest in.

Mr. Temporary Deputy Speaker, Sir, sometimes we feel bad when we hear of foreigners coming to lease land and produce food. Part of the land that should be leased to the investors is the arid and the semi-arid land, which we have abandoned, over-grazed on, deforested and allowed to become a desert. We should not run into growing trees in such mountain lands when we could grow the trees in the arid and semi-arid areas. We should invest in this two-thirds part of our country. There is no reason why banks should not lend money to people so as to grow trees in these areas. If we did that, we would abandon the *shamba* system in our forested mountains, which we need for catchment of rain water and conservation of our biological diversity. We could establish tree farms in dry areas. The dry part of our country is so huge that if we started planting trees on it, we would probably spend 10 years to cover it with vegetation.

I hope that I will eventually convince hon. Members that, indeed, that is the policy we ought to adopt. As I said earlier, a major policy change on our forests is necessary because our mountains are being used for growing of trees. The timber industry has been built using timber which has been produced from mountain forests. After 60 years of this practice, we are beginning to see the damage. Our rivers are drying up. We are experiencing floods because our catchment areas have been destroyed. Our land has become dry and unable to yield food that is adequate for us.

When there is a change of climate, such as we have had in the last few months, Kenyans starve because we depend on very few crops, such as maize, which do not do well in dry areas. We cannot also depend on forested areas only because they will eventually dry up. I hope that at one point, this House will force the Government to change its policy. We are in the best position to

change policies. As we know, the NARC Government promised Kenyans that it would manage our environment better. If we invested in tree farming in this country, we would easily start exporting timber instead of being net importers of it.

Mr. Temporary Deputy Speaker, Sir, I also want to encourage people to come into this country to invest. We had hoped that after improving our governance, more people would come into our country and invest. One of the reasons, perhaps, why we continue to be disappointed is because of insecurity. This is an issue that has already been touched on by many contributors, and I will not belabour it. However, it is something that we need to address. Again, it is us Kenyans who can make this country safe. We must choose to follow the law and address the issue of inequity that was in the media the other day. We have just produced a report that shows that Kenya is a country where there are huge inequalities. There are a few people who are extremely rich, while a large number, up to 56 per cent, are very poor. Some people are saying that, probably, even more of our people live below the poverty line. According to the United Nations, they do not make even a dollar a day. There is absolutely no country in this world that can avoid insecurity of the kind that we are experiencing in Kenya with that kind of inequality. This is because those who are poor will not allow the rich to eat in peace. We have created a country where the rich are overly protected, and most of our homes are heavily reinforced with grills, burglar-proof and sometimes *mabati* on our roofs for fear of thieves. This is the situation partly because we have allowed these inequalities. It is definitely something that we have to address. We have to promote policies that allow a more equitable distribution of our resources. We cannot afford to have a large number of our people begging in the streets, children sniffing glue, and having adults and parents who are so poor that they cannot take care of their children, and instead allow them to go to the streets to beg. Nobody likes that kind of life!

When people come here, whether as tourists or as potential investors, they see how dirty our streets are; people who look very strong begging; women begging while holding children in order to generate sympathy, and children literally following and tapping you. The children know very well that local people will not give them anything. So, they usually go to tourists and that kind of harassment discourages them from coming back to Kenya. By behaving this way, we become our own enemy because we drive away investors and tourists.

We all know that if more tourists come into our country, we will have more hotels, restaurants and greater demand for services. This then means that there will be more jobs. Instead of creating an enabling environment for tourists and investors, we literally drive them away. The challenge is ours as Kenyans, and we must make a decision. I know that I am probably speaking from an idealistic point of view. Perhaps, you want to ask me: Who are you talking to? I am talking to Kenyans! We must bring the change that we want to see.

If we want a clean country, we must clean it and make sure that we do not throw litter everywhere. We must ensure that we do not throw plastic everywhere, and that the Nairobi City Council, for example, constructs public toilets. Is there anything more embarrassing than to be in a city where there are no public toilets? You see people relieving themselves along hedges. They pretend that they can hide when you can fully see them. Such behaviour, believe me or not, is completely unacceptable to the very people we are trying to attract into our country. We have to create a country that can attract investors. If we do not, we shall just be left alone to continue being very poor. The few people who are rich will continue to use guns to kill those who try to get what they have from them. However, as we have seen, even poor people can eventually get guns, and so we shall have gun battles in the streets because some people will try to carjack others and get the little money they have. I just wish that we, as Kenyans, could realise that we are the ones who must make our country attractive.

I also want to mention the fact that even politically, we have a lot of differences. Quite often, we create an environment of complaining and infighting. This results in negative newspaper headlines. They reflect political squabbles, which give investors a feeling that this country is not stable. We, as leaders and politicians, need to put our country before our personal and sectional interests, and decide that even though we may have problems and differences, we need to sort them out in a way that does not portray our country as a place of squabble. We should not present ourselves as squabbling leaders. When that message gets to the headlines - as you know, tomorrow's headlines are already being read on the internet - investors begin to feel that ours is not a country they should come to, because there is political instability and political leaders are constantly fighting each other.

Finally, I would like to encourage investment in liquefied petroleum gas (LPG). This is an area that has not been looked at sufficiently. Our Government, especially the Ministry of Energy, should encourage investment in this area. This could help us to save our forests. We know that 56 per cent of our poor people cannot afford electricity and they use charcoal. Therefore, as much as charcoal burning in our forests is illegal, and as much as we know that if you are caught burning charcoal you can be arrested and taken to court; in our cities and urban centres we still use charcoal. This is, in a way, contradictory. We say that it is illegal to provide charcoal and at the same time we know that the majority of our people in urban centres are using it. One way in which we can offer our people an alternative is to produce LPG. There is no good reason that has prevented investment in the production of LPG. Therefore I would request the Ministry of Energy to encourage investment in this area in order to discourage our people from using charcoal. We use charcoal because we think it is cheap. However, in terms of long-term environmental degradation, and the land that we are losing to deserts because of deforestation as our people make charcoal, in fact, the loss is extremely big. We are allowing our poor people to continue using charcoal yet we could easily offer them an alternative, the LPG.

*[The Temporary Deputy Speaker
(Mr. Moi) left the Chair]*

*[The Temporary Deputy Speaker
(Mr. Khamasi) took the Chair]*

There is also no reason why the Kenya Tea Development Agency (KTDA) should continue using wood. It uses wood because it thinks it is cheaper than electricity. I would like to ask the Minister for Energy to see if we can assist the Kenya Tea Development Agency (KTDA) in the production of energy. Most of the KTDA factories are on the highlands and there is a lot of water and waterfalls there. They could probably produce energy rather cheaply and use electricity to process their tea rather than wood. Again, the long-term environmental degradation cannot compare with the little tea that they are processing. We are sacrificing too much for too little. We should assist them to acquire energy either by helping them produce their own electricity or by subsidising them, so that they stop using wood. If you visit the KTDA factories, you literally come across mountains of wood. That represents many trees that have been cut. Unfortunately, many of those trees are eucalyptus. Farmers are encouraged to plant those eucalyptus trees, so that they can sell them to the KTDA factories. Those eucalyptus in those highlands are very dangerous because they take a lot of water from our underground reservoirs and cause the drying up of the land and the rivers, or the lowering of the water level in our rivers.

Mr. Temporary Deputy Speaker, Sir, I am trying to show the connection between good investment and good environmental management. Unless we constantly focus on our environment,

we can focus on the investments and just look at the gains, especially the financial gains, and overlook or underevaluate the damage that we are doing to our environment.

With those few remarks, I beg to support.

The Assistant Minister for Foreign Affairs (Mr. M. Kariuki): Thank you, Mr. Temporary Deputy Speaker, Sir. I also wish to make my contribution. First, I would like to associate myself with the concern that has been expressed here about foreign and local investment. I would like to appreciate that Clause 16 of the Bill recognises that there are local as well as foreign investors. That is often lost on us when we talk about investment, because we seem to be obsessed with foreign direct investment as a basis of our development.

Mr. Temporary Deputy Speaker, Sir, I would like to say something about local investment. Our people are the greatest resource that we have, and I think in talking about local investors, sometimes we even forget the informal sector; our own people who are trying to survive through small businesses. It has been said over and over here that we actually need a micro-financing Bill to be able to give a back-up to the informal sector that is trying to nurture itself into a fully fledged investment sector. We cannot forget that the bulk of our people today survive in the informal sector through small businesses. Some of them are hawkers and *Jua Kali* people. Our concept of local investment must start from them. What can we do so that the owner of a *kiosk* today, in another two years, would be owning a shop, and the owner of a shop in another two years would be aspiring to own a supermarket? That would be a major springboard for investment. I think that is where we need to start, to appreciate our circumstances and the potential of our people, and how it can be boosted in terms of local investment.

Mr. Temporary Deputy Speaker, Sir, one of the major impediments to direct foreign investment is the Immigration Department. I have observed that Clause 14 of the Bill talks about work permits and the categories of persons who qualify under that clause, mainly the managers, the technocrats, shareholders and owners. We are not quite sure how many people would be allowed. We have received many complaints, as a country, particularly from the Middle East and the United Arab Emirates. It takes as long as six months to get a visa processed. All that the visitors want to do is come and explore possibilities of investment in Kenya. Sometimes, they want to come for a holiday here and spend their money in Kenya because Kenya is a good destination for tourists. All these are frustrated by the Immigration Department because it takes six months to process a visa, and sometimes it is not approved. Any person who is looking for a place to put his money is not going to wait for even two weeks, because two weeks is too long. In other destinations, you get your visa the same day. So, I think we need to have a soul-searching as a nation and be able to streamline our Immigration Department in terms of facilitating potential investors and tourists to come to Kenya without much difficulty.

I know there is a lot of concern about security measures to contain terrorist activities, but we should not use security to defeat what could be our very good investment in this country. We should be able to draw a balance between the need to ensure that the people who visit this country do not pose a danger to us or to our people or institutions. At the same time, we should be focused to ensure that we facilitate any person who wants to invest in this country.

Mr. Temporary Deputy Speaker, Sir, as far as work permits are concerned, we probably need to learn from a country like Nigeria. Nigerians are proud people. They would not allow a technocrat into their country, when they have one of their own, in the guise of getting a work permit. Kenya has a whole pool of resource or individuals who are well trained in terms of communication technology, engineering, and other services. Before somebody is issued with a work permit to serve in this country as a technocrat, we have to exhaust the local option. If there is no Kenyan who qualifies to do that job, then we can go ahead and give a technocrat from outside a

work permit to do that job. Our people are anxious to be appreciated because of the skills they have. They are anxious to serve their country. One of the reasons why we welcome investors is to ensure that we create jobs for our people. While on the jobs, let me say that this country has not ratified Article 87 of the International Labour Organization (ILO) Convention which relates to the rights of workers. It is important that this information be availed to any potential investor. We have had a lot of labour crises in our industries here because the investors come here and they think that workers have no protection. Usually, they would check with the ILO in Geneva to see whether Kenya has ratified that basic right, for example, to form and belong to a trade union for a worker. Those guarantees have not been ratified. I think it is important that potential investors be availed as much information about this country as possible, so that they do not come here and create a labour crisis. They think Kenya is a destination for cheap labour and that workers have no rights. We have to put our act together in terms of ensuring that the relevant international conventions on the rights of workers are observed.

Mr. Temporary Deputy Speaker, Sir, if you look around in the world today, you will realise that the persons who have succeeded in terms of benefiting from direct foreign investment are people who were properly equipped with negotiating skills. If you take, for example, a country like Tanzania, which has now some natural gas, the package they have negotiated with the investors only leaves 10 per cent of the profit in the hands of Tanzanians.

If you look at a country like Algeria, it has been able to negotiate a package with the Italian investors which ensures that they retain 51 per cent of the profits for themselves. Right now, every other direct foreign investor is heading for China. The Chinese are very good negotiators. They will not allow you to take 100 per cent of their investments. They must be guaranteed of their shares and they negotiate. That is because something must be retained for the country. There is no point saying: "I am a foreign investor who gets Kshs1 million", and, at the end of day, takes away that money and invests it in another country. By that, you have not benefitted that country. All you have done is to facilitate by way of labour. We should ensure that we have proper negotiators when it comes to matters of investments. We should make sure that if any investor comes here, the benefits must flow to our people.

Mr. Temporary Deputy Speaker, Sir, I observed that even South Africa, as diverse as it is, cannot award a tender to a company unless it can prove that 51 per cent of its shareholding is actually local. That is one way of retaining the benefits. But we have a situation where we rush into arrangements with foreign investors without proper negotiations. They employ 1,000 people who are underpaid and cannot sustain the necessary human dignity that is accorded to workers. We are getting a raw deal. We must invest in negotiation skills. We must have the interest of this country at heart at all times, when we are dealing with foreign investors.

We would like to tap on the technology that investors bring here. I am a little bit concerned with this particular Bill. We have not been able to lay down the conditions that must be considered when issuing out certificates. I think that is Clause 4. We have left that to the Authority that we have set up under this Bill. It is important that this House be given a chance to spell out the criteria upon which that Authority will base its decision. If we leave it to their discretion, I think it is not fair! That is because we would like national considerations to take precedence. Where, for example, an investor is coming in an industry already involving local people---

Mr. Temporary Deputy Speaker, Sir, I am imagining a situation where a person calling himself a foreign investor is basically a *dukawalla* or a sawmiller where our people have the skills and the necessary technology. We need to look at what kind of investor that person is. If we already have a sufficient number of our people with the necessary skills and capital, then a discretion should be exercised to ensure that domestic industries are protected. We would like to invite foreign

investors who will bring some form of technology which we do not enjoy. That way, when they come here, they will have to train our people and impart some skills. At the end of the day, if they relocate one day to another destination, the technology and know-how will be retained here. Our people then could use the technology to create local investments. There should be conditions to guide the Authority in deciding whether to give an investment certificate or not. Those conditions should be clearly spelt out.

Mr. Temporary Deputy Speaker, Sir, I welcome Schedule 1 in the Bill. It tries to reduce bureaucracy in terms of processing the certificates and their applications. I think ten days is good enough. If any person intending to invest in Kenya makes his request and gets a reply within ten days, that would be a very expeditious disposal of the application. We are aware of what used to happen in the past. Somebody would put a request, and two years down the line, the request has not been attended to. We have to wake up to the fact that we are living in a very competitive world. We are living in a global market and there are many destinations for direct foreign investments. Unless we adjust ourselves and place ourselves in a competitive position of advantage vis-a-vis our competitors, we will not be able to attract direct foreign investments. So, I welcome the fact that, the period has been shortened, and the necessary provisions have been put in place. Mr.

Temporary Deputy Speaker, Sir, as we consider the issue of foreign investors coming to this country, we have to consider the conditions that endear themselves to an investor. I know that a lot has been mentioned here. I also mentioned about security; a fact that has been played up by the immigration rules. We have to bear in mind the issue of insecurity, and what the United States of America (USA) has done to us in terms of travel advisories. I am aware that an Anti-Terrorism Bill was published. But it was withdrawn for good reasons because of our concerns about the infringement of our fundamental rights as a people. We hope the relevant Ministry will bring that up, so that we are on the same standing with other countries as far as the fight against terrorism is concerned. We would like to draw a balance between the need for security and the need to protect the fundamental rights of our people. I am sure that, if that Bill is passed in this House, the travel advisories might come to an end. The travel advisories have been quite harmful to our tourism industry.

Mr. Temporary Deputy Speaker, Sir, I would also like to thank the Kenya Tourism Board for the efforts it has been making to promote tourism in the country in the last 20 months. Despite all odds, it has been able to disabuse the American visitors that Kenya is not a secure destination. In the last financial year, American tourists increased by 44 per cent. That is despite the travel advisories. It has nothing to do with the change of the wording. It is simply that our people have been able to market Kenya out there, and have been able to appreciate that Nairobi is much safer than New York City.

Mr. Temporary Deputy Speaker, Sir, the issue of infrastructure cannot be over-emphasized. It is very important. But I also think that information technology is a tool for modern investments. It reduces the cost of investment tremendously. We had occasion to debate a Motion on information technology last week. I think we should put our time and money in that. That is what would attract a modern-day investor in this country.

With regard to our fight against corruption, despite much criticism, I think as Parliament, we have been able to make some advances. We have been able to pass many relevant Acts of Parliament. Given the recent assessment by Transparency International, the perception of Kenya as a corrupt country is gradually changing. We need to put much more effort in that because, it also adds up the cost of investment. When an investor realises that to get from point "A" to "B" he has to scoop something out of his profit, he would rather go to another destination.

So, one way of endearing ourselves to potential investors is to step up the war against

corruption, to make Kenya a zero-tolerant to corruption society.

One other consideration that an investor bears in mind is the amount of time a dispute takes to resolve. When a company invests in Kenya and gets into a dispute with another company, given the kind of bureaucracy that we have in our courts, where a commercial dispute case takes about three years, that does not endear itself to investors. Therefore, we have to look at processes of dispute resolution and arbitration.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Khamasi): Order! Mr. M. Kariuki, when the debate on this Bill resumes, you will continue for 15 minutes.

Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until tomorrow, Thursday 4th November, 2004, at 2.30 p.m.

The House rose at 6.30 p.m.